

ADMINISTRATIVE REFORMS COMMISSION



# REPORT

## OF THE STUDY TEAM

MACHINERY OF THE  
GOVERNMENT OF INDIA  
AND ITS PROCEDURES OF WORK

**PART II**

(Vol. II)

Annexures

FEBRUARY 1968

# CONTENTS

## ANNEXURE

## PAGES

I	List of tasks to be performed by Government in respect of public sector undertakings	1
II	Functional File Index - Description	3
III	Router slip for submission of drafts	5
IV	Router slip for submission of papers	6
V	Statement showing the proposed wing scales, the existing secretariat scales for generalist staff and the existing scales for specialised cadres	7
VI	Existing structure of a wing	11
VII	Proposed structure of a wing	13
VIII	Statement comparing a typical wing of the present system with one of the proposed	15
IX	List of appointments requiring the approval of the Appointments Committee of the Cabinet	17
X	Functions of the Central Establishment Board	20
XI	Statement showing the number of direct recruits to the I.A.S. since its inception	21
XII	Comparative statement showing the number of secretaries to the Government of India and number of ICS and IAS officers eligible for appointment as secretary during the years 1948-67 and some pre-independence years (with projection into the future upto 1989)	22
XIII	Statement showing tenures of appointment of secretaries to the Government of India in certain Ministries since 1947	25
XIV	Measures taken by the Government of India in the recent past to improve senior management	27
XV	Statements showing the tenures of appointment of the Chief Justices of the Supreme Court and Chairmen, Railway Board	30
XVI	Delegation of financial powers	32
XVII	Delegation of tasks in personnel administration	41
XVIII	Plan indicating the existing allocation of space in Udyog Bhavan among different offices	43
XIX	Plan indicating the existing allocation of space in Udyog Bhavan by the Department of Industrial Development to its various wings.	45

## SPECIAL ANNEXURES

	Pages
A Skeleton reorganisation scheme for four selected ministries – study reports . . . . .	47
B Skeleton reorganisation scheme for a few selected wings – study reports . . . . .	87
C Detailed study reports on three staff departments . . . . .	147
C-1 Report of the working group on the Department of Personnel . . . . .	149
C-2 Report on the Department of Administrative Reforms by C. James Gardner, U. N. inter-Regional Adviser in Public administration . . . . .	167
C-3 Report of the working group on the Department of Regional Planning, Housing and Local Government . . . . .	193



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## ANNEXURE I

[Para 3.41(1)]

### List of tasks to be performed by government in respect of public sector undertakings.

1. Appointment/resignation of Chairman/board members/financial adviser, of chief finance and accounts officer on the recommendation of the Board of Directors, and of auditor on the advice of the C. & A. G.
2. Higher staff appointments, *i.e.*, where the maximum of the pay-scale of the post exceeds Rs. 2,250.
3. Rules of the company governing the conditions of service of the employees, Provident Fund and other rules.
4. Annual programme of the public undertaking as reflected by its revenue and capital budget estimates.
5. Proposals of the public undertaking regarding :
  - (i) assistance from other ministries when direct contacts did not produce results;
  - (ii) raising loans exceeding specified limits;
  - (iii) higher foreign exchange allocation;
  - (iv) intervention in labour disputes;
  - (v) negotiations with foreign countries;
  - (vi) contracts involving expenditure exceeding specified limits; participation in negotiations for entering into global contracts;
  - (vii) pricing of products;
  - (viii) creation of reserves and special funds.
6. Other matters on which the public undertaking is, under its charter, required to obtain the approval of the President, *e.g.* (a) to sell, lease or otherwise dispose of whole or substantially the whole, of the undertaking, (b) to form a subsidiary company, and (c) to divide capital into different classes of shares.
7. References made by public undertaking under instrument of instructions laid down by the ministry or under accepted or developing conventions.
8. References made by public undertaking in connection with its operations when the questions involved relate to other business of the administrative ministry or of other ministries for which it has necessarily to seek assistance of the administrative ministry.
9. Proposal or decision of the Board reserved by the Chairman for the decision of the Central Government.
10. Changes in the scope (volume and range) of work of the undertaking involving capital expenditure exceeding specified limits—reviewing public aspects, financial aspects, technical aspects including modernisation of plant and equipment or change in design.
11. Examination of reports and returns prescribed by the ministry.

12. Causes of below-the-expectation progress of performance or of other weaknesses or inefficiencies.
13. Annual report of the public undertaking on its performance (according to a standard pattern) including its balance-sheet and profit and loss statement together with the audit report thereon.
14. Broad evaluation of the financial results, degree of fulfilment of the tasks undertaken and overall efficiency of the public undertaking.
15. Public relation aspects including public criticism in regard to scale and range of products and their quality of the public undertaking.
16. Parliament work relating to (i) Parliament questions and debates, and (ii) report of the Parliament committee on public undertakings.
17. Whether a directive should be issued to the Board of Directors of the public undertaking.



## ANNEXURE II

(Para 4.37)

### Functional file index - Description

The existing filing system of the central secretariat offices has been laid down in detail in the Manual of Office Procedure (chapter VII refers). It suffers from the following disadvantages :

- (i) There is no uniformity, since different sections allot different numbers to identical subjects or sub-subjects.
- (ii) Tracing of files is a time-consuming search through the file registers and the officers are dependent on records clerks.
- (iii) Indexing by subject as well as by individual name is necessary.

2. To overcome these disadvantages, a functional subject-wise and sub-subject-wise file index should be prepared as follows.

2.1 The main subjects of an office falling under, say administration, office management services, policy matters and miscellaneous items, are first listed under functional group headings, which are identified by consecutive Roman numerals.

2.2 Each main subject or main head in each functional group is assigned consecutive Arabic numerals beginning with '11' which may go up to '99'.

2.3 Similarly, the sub-subjects or sub-heads under each main head are assigned consecutive Arabic numerals beginning with '11' which also could go up to '99'.

2.4 The identifying subject numerals and sub-subject numerals are separated by 'o'; the group of numerals to the left of 'o' refer to the main subject while that to the right to its sub-subject, topic, aspect or factor.

2.5 Files opened under the same sub-subject etc. are given serial numbers 1, 2, 3 and so on, enclosed in brackets.

2.6 The year in which the file is opened is shown separately from the file number by a slant stroke.

2.7 At the end of each file code number is to be indicated the dealing administrative office, division or unit by a suitably chosen abbreviated group of letters, separated from the year by a hyphen.

2.8 To distinguish files relating to different countries (or different individuals or bodies) alpha symbols may be inserted before the coded subject number; e.g. Australia, Burma, and Cambodia may be indicated by Aus., Bur., Cambo., respectively.

2.9 Each subject and sub-subject thus having been identified by an alpha-numeric code mark, a brief content part of the subject, viz., question, issue or specific institution or person involved is indicated in the rectangle on the file cover marked "subject".

2.10 *Illustration.*—In a file numbered IV-11013(3)/66-Estt., 'IV' stands for the functional or activity group heading, viz. common office services. The first group of Arabic numerals '11' stands for the main subject heading 'accommodation'. The figure 'o' is a separating sign. The second group of Arabic numerals '13' stands for the subordinate subject or aspect heading, 'shifting arrangements'. The number '3' in round brackets denotes 3rd file opened under this subordinate heading. The figure '66' indicates the year of opening the file and the abbreviating symbol 'Estt.' stands for establishment section.

3. *Instruction*.—If a paper requiring filing is such as apparently does not relate to any of the lists, viz., functional (primary, group heading), subject (secondary heading) or sub-subject etc. (tertiary heading), the following points should be considered :

Whether they come under any sub-factor or sub-aspect of a tertiary heading as related to a secondary heading.

Whether they seem allied to a secondary heading as related to a primary heading.

If not, whether they could be brought under an additional heading placed at appropriate point in the list of primary headings.

If nothing suggests, it may be temporarily placed in the list of primary headings as the last item.

#### 4. *Advantages of the proposed file index*

- (i) Such a coded file index drawn up on a functional basis establishes an easily recognisable, systematic, filing sequence under a comprehensive list of pre-identified subjects and their various sub-subjects, topics or aspects, concerning activities of a particular office.
- (ii) The symbols and numbers used remove lengthy file designations for which a hunt has sometimes to be made, thus saving time. The proposed file index has also the advantage of providing files on the same functional subject and its sub-subject common identifying numbers.
- (iii) Ensuring ease in reference, this standardisation greatly facilitates opening of new files, systematic sorting, pick up and storage of files which may be required subsequently for reference and thus enables the officers to pick out any file on their own and with speed.
- (iv) Further, when indexing is done, only one index slip (by specific name) need be made, and not two, i.e. both name-wise and subject-wise, as is found necessary under the conventional system.
- (v) Besides, this coded index will serve as a standard table of contents for the precedents note-book, which although a necessary requirement for its effective use, is by and large not prepared.
- (vi) It would also help in compiling orientation, instruction material on the activity dealt with, for a comprehensive understanding of it.

**ANNEXURE III**  
(Para 4.40)  
**Router slip**  
for submission of drafts

Router slip (correspondence handling)			
From 1.	To	Initials	Date •
2.			
3.			
4.			
	For information	Discuss/consult	
	Draft for approval	Draft reply	
	For signature	Revise as directed	
	Revised draft	Note and return	
	For instructions	Accept/reject/recommend	
Additional space			

# ANNEXURE IV

(Para 4.40)

## Router slip for submission of papers

Router slip (preparation of papers)			
From	To	Initials	Date
1. ●			
2.			
3.			
4.			
	Prepare paper	Amplify	
	Consult	As amended	
	Study team	For consideration	
	(i)	Approved	
	(ii) (leader)	Planning & policy	
	(iii)		
	Report by		
	Paper submitted		
Additional space			

# ANNEXURE V

(Para 4.44)

## Statement showing the proposed wing scales, the existing secretariat scales for generalist staff and the existing scales for specialised cadres

Proposed wing scales	Existing secretariat scales for generalist staff	Existing scales for specialised cadres
(1)	(2)	(3)
C2 Rs. 3,000	Rs. 3,000 (ICS joint secretaries and non-ICS additional secretaries)	Rs. 3,000—125—3,500 (B grade Industrial Management Pool)  Rs. 3,000 (Chairman, CWPC, ICS and senior IAS D.G.S. & D, D. G. T. D; ISE CE, CPWD; Chief Economic Adviser, Finance; IMS Additional DGHS).  Rs. 2,500—100—3,000 (C grade IMP).
C1 Rs. 2,500—125/2—2,750	Rs. 2,500—125/2—2,750 (non-ICS joint secretaries)	Rs. 2,750 (Non-IMS DGHS; Member, CWPC)  Rs. 2,500—125/2—2,750 (IG, Police; Economic Adviser in Finance and Commerce; non-ISE CE, CPWD; DCS & D; DGTD; Coal Mining Adviser; Adviser (Chemicals); Principal Information Officer; ICS and senior IAS Textile Commissioner and Jute Commissioner)  Rs. 2,000—100—2,500 (D grade IMP; Chief Scientist Ministry of Defence).

(1)

(2)

(3)

D3 Rs. 2,000—125—2,250

Rs. 2,000—125—2,250 (Director-General Archaeological Survey; Textile Commissioner, etc.)

Rs. 1,800—100—2,000—125—2,250 (Accountant General; Commissioner of Income-tax; Collector of Customs/Central Excise).

Rs. 2,000 (Additional Chief Engineer)

D2 Rs. 1,800—100—2,000

Rs. 2,000 in the scale of Rs. 1,800—100—2,000 for IAS officers and class I officers central services.

Rs. 1,800—100—2,000 (Industrial Adviser Director CWPC, some heads of departments)

Rs. 1,800—100—2,000 for CSS officers

Rs. 1,600—2,000 (Grade IV, IMP; Drugs Controller etc.)

D1 Rs. 1,100—50—1,300—60—1,600  
—100—1,800 + Rs. 300 special pay for IAS officers.

Rs. 1,600—1,800 (Technical Director, Civil Aviation; Director, CWPC).

Rs. 1,100—1,600 or Rs. 1,300—1,600 +  
Rs. 300 special pay for class I officers  
central services.

Rs. 1,300—60—1,600—100—1,800 (economists and statisticians).

Rs. 1,300—60—1,600 (Grade V IMP)

Rs. 700—1,600 (senior development officer)

Rs. 1,100—1,800 for CSS and other deputy secretaries.

E5 Rs. 1,100—50—1,400

Rs. 1,400 (Selection Grade IPS)

Rs. 1,100—50—1,400 (Assistant Economic Adviser; joint directors, economics and statistics; deputy directors on the engineering side; Grade VI IMP).

Rs. 700—1,600 (junior Development officer)

E4 Rs. 700—50—1,250

Rs. 900—50—1,250 (CSS under secretaries)

Rs. 700—40—1,100—50/2—1,250 (Grade VII IMP; engineers, economists & statisticians)

Rs. 400—1,250 + Rs. 200 special pay for class I officers, central services.

Rs. 740—1,300 (senior scale of IPS)

Rs. 600—1,300 (Specialists, Central Health Service)

Rs. 700—1,250 (senior research officer, senior analyst, etc.)

Rs. 400—1,250 (class I central service)

E3 Rs. 350 (Prob)—400—25—500—30—590—E.B.—30—800—E.B.—30—830—35—900 (section officer)

Rs. 400—350 (scientific officers)

Rs. 350—900

E2 Rs. 325—15—475—20—575

Rs. 325—15—475—20—575 (research assistant)

Rs. 325—15—475—20—575 (research/scientific/technical assistant)

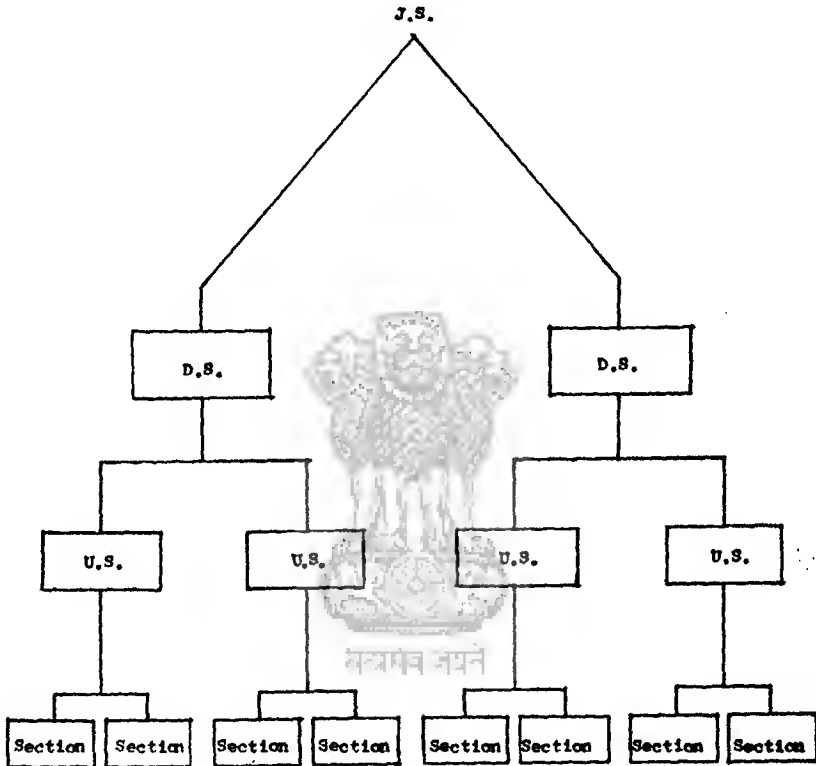
E1 Rs. 210—10—270—15—300—E.B.—15—450—E.B.—20—530

Rs. 210—10—270—15—300—E.B.—15—450—E.B.—20—530 (assistant)



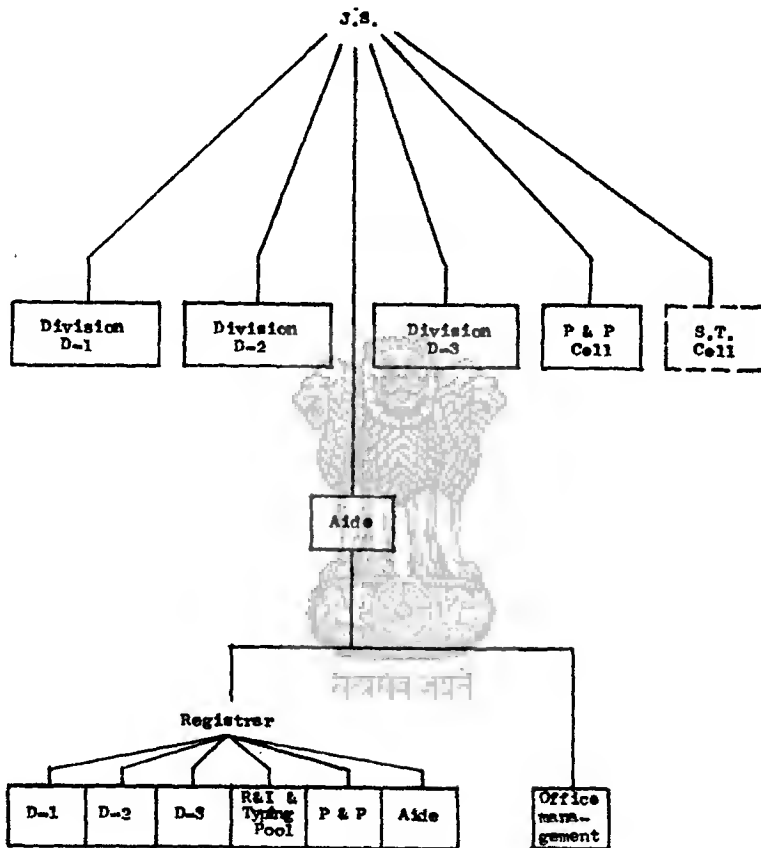
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## EXISTING STRUCTURE OF A WING





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PROPOSED STRUCTURE OF A WING

P&amp;P: Planning &amp; Policy

S.T.: Special task cell,  
Cell where necessary.



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# ANNEXURE VIII

[Para 4.50(2)]

## Statement comparing a typical wing of the present system with one of the proposed

	Strength of a wing		Cost of a wing (annual)	
	Existing	*Proposed	Existing Rs.	Proposed Rs.
Joint secretary	1½	1	49,500	33,000
Director	..	4	..	87,360
Deputy director	..	1	..	19,200
Deputy secretary	3	..	68,292	..
Under secretary	6	..	1,05,480	..
Section officer	12	..	1,26,576	..
Executive	..	32	..	3,82,176
Assistant	48	3	2,88,000	18,000
Stenographer	9	20	54,000	1,20,000
Upper division clerk	12	5	44,400	18,500
Lower division clerk	30	12	90,000	36,000
Steno-typist	..	17	..	56,200
<b>TOTAL</b>	<b>121½</b>	<b>95</b>	<b>8,26,248</b>	<b>7,70,436</b>
<i>Reduction in terms of personnel</i>			<i>Reduction in terms of cost :</i>	
(21.8%)			Rs. 55,812 (6.7%)	

NOTE : These calculations do not take into account class IV staff; nor do they take into account the needs of special tasks when additional posts may have to be created.

\*Details are given in the statement on page 16.

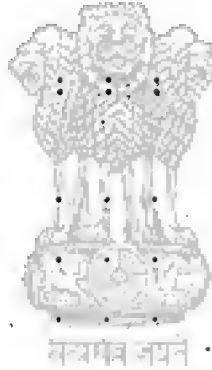
## Statement showing the strength of a reorganised wing

Chief of the rank of joint secretary . . . 1

	Divisions	Planning & Policy	Special tasks	Office Management and Registry	Total
Director . . . . .	3	1	..§	..	4
Deputy director . . . . .	1+	..	..	..	1
Executive . . . . .	28†	2@	..	2* (i.e. aide and one registrar)	32
Assistant . . . . .	..	..	..	3	3
Udc . . . . .	..	..	..	5	5
Ldc . . . . .	..	..	..	12 (including typists)	12
Stenographer . . . . .	17 (incl. 2 for the chief)	3	..	..	20
Steno-typist . . . . .	16	..	..	1	17

+ Rs. 1,300—1,600  
 ‡ 3 on Rs. 210—530  
 3 on Rs. 325—575  
 9 on Rs. 400—900  
 12 on Rs. 700—1,250  
 1 on Rs. 1,100—1,400  
 @ 2 on Rs. 700—1,250  
 \* 1 on Rs. 700—1,250  
 † 1 on Rs. 400—900

§The needs for special tasks could be found from within the existing strength or additional posts could be created as and when found necessary.



## ANNEXURE IX

(Para 6.10)

### List of appointments requiring the approval of the Appointments committee of the Cabinet.

<i>Ministries</i>	<i>Appointments</i>
Railways . . . .	<ol style="list-style-type: none"><li>1. Chairman, Railway Board.</li><li>2. Members and Additional Members of the Railway Board.</li><li>3. Financial Commissioner for Railways.</li><li>4. General Managers of Railways and equivalent appointments</li></ol>
External Affairs . . . .	<ol style="list-style-type: none"><li>1. Secretariat appointments of and above the rank of Deputy Secretary.</li><li>2. Field appointments above the rank of First Secretaries to Missions except appointments of Ambassadors, Heads of Missions and other higher dignitaries.</li></ol>
Defence . . . . .	<ol style="list-style-type: none"><li>1. Secretariat appointments of and above the rank of Deputy Secretary.</li><li>2. Scientific Adviser to the Defence Minister.</li><li>3. Director General, Armed Forces Medical Services.</li><li>4. Appointments in State-owned public corporations, companies and enterprises of :<ol style="list-style-type: none"><li>(a) Chairman, Managing Directors and General Managers, salaried or otherwise; and</li><li>(b) Financial Advisers entitled to an ultimate salary of Rs. 2,000 p.m. or above.</li></ol></li><li>5. Other appointments in the State owned public corporations, companies and enterprises carrying an ultimate salary exceeding Rs. 2,250 p.m.</li></ol>

#### *Army*

6. Chief of the Army Staff.
7. Deputy Chief of the Army Staff.
8. G. O. C.-in-C, Southern Command.
9. G. O. C.-in-C, Eastern Command.
10. G. O. C.-in-C, Western Command.
11. P. S. Os. i.e. Chief of the General Staff, Adjutant General, Master General of the Ordnance and Quarter-Master-General.

*Navy*

12. Chief of the Naval Staff.
13. Flag Officer Commanding, Indian Fleet.
14. Deputy Chief of the Naval Staff.
15. Flag Officer, Bombay.
16. Commodore-in-charge, Cochin.
17. P. S. Os. i.e. Chief of Personnel, Chief of Material and Chief of Naval Aviation.
18. Commodore, East Coast.

*Air Force*

19. Chief of the Air Staff.
20. Deputy Chief of the Air Staff.
21. Air Officer Commanding-in-Chief, Operational Command.
22. Air Officer Commanding, Training Command.
23. Air Officer Commanding, Maintenance Command.
24. P. S. Os. i.e. Air Officer-in-Charge, Maintenance and Air Officer-in-Charge, Administration.

Department of Atomic  
Energy.

1. Secretariat appointments of and above the rank of Deputy Secretary.
2. Appointments in State owned public corporations, companies and enterprises of :
  - (a) Chairman, Managing Directors and General Managers, salaried or otherwise; and
  - (b) Financial Advisers entitled to an ultimate salary of Rs. 2,000 p.m. or above.
3. Other appointments in the State owned public corporations, companies and enterprises and appointments to technical and scientific posts, carrying an ultimate salary exceeding Rs. 2,250 p.m.
4. All other appointments which are made by the Government of India or which require the approval of the Government of India and which carry an initial or ultimate salary of Rs. 2,000 or above.

All other ministries

1. Secretariat appointments of and above the rank of Deputy Secretary.
2. Appointments in State owned public corporations, companies and enterprises of :
  - (a) Chairman, Managing Directors and General Managers, salaried or otherwise including the Governor and Deputy Governors of the Reserve Bank of India; and
  - (b) Financial Advisers entitled to an ultimate salary of Rs. 2,000 p.m. or above.

3. Other appointments in the State owned public corporations, companies and enterprises carrying an ultimate salary exceeding Rs. 2,250 p.m.
4. All other appointments which are made by the Government of India or which require the approval of Government and which carry an initial or ultimate salary of Rs. 2 000 or above.



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## ANNEXURE X

(Para 6.10)

### Functions of the Central Establishment Board

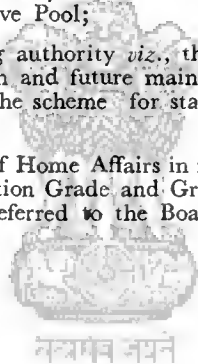
It shall be the duty of the Board :

(1) having regard to the merits, claims and availability of all officers in the field of choice for any particular vacancy, to make recommendations for the selection and appointment to :

- (a) all posts of and above the rank of Under Secretary to the Government of India in the Secretariat (except posts of Additional Secretary, Special Secretary and Secretary to the Government of India);
- (b) all non-Secretariat posts under the Government of India which are included as category 'A' posts in the schedule of the reorganised Central Secretariat Service;
- (c) all non-Secretariat posts under the Government of India which are manned by officers of the dll-India Services; and
- (d) all other non-Secretariat posts which are similar in rank and status to the posts mentioned in (a) above—when it is proposed to appoint thereto :
  - (i) officers, belonging to the Central Secretariat Service or the Central Administrative Pool; and
  - (ii) officers belonging to any of the services which supply officers to the Central Administrative Pool;

(2) to advise the controlling authority *viz.*, the Ministry of Home Affairs, in regard to the initial constitution and future maintenance of the Central Administrative Pool as provided for in the scheme for staffing senior Administrative posts at the Centre; and

(3) to advise the Ministry of Home Affairs in regard to the initial constitution and future maintenance of Selection Grade and Grade I of the Central Secretariat Service on matters specifically referred to the Board by that Ministry.



# ANNEXURE XI

[Para 6.13(3)]

Statement showing number of direct recruits to the I.A.S. since its inception.

Year of examination	No. of appoint- ments made
1947	33
1948	33
1949	35
1950	29
1951	38
1952	32
1953	42
1954	49
1955	57
1956	77
1957	64
1958	54
1959	73
1960	87
1961	99
1962	90
1963	115
1964	128
1965	138
1966	140

# ANNEXURE XII

[Para 6.13(3)]

Comparative statement showing the number of secretaries to the Government of India and number of I.C.S. and I.A.S. officers eligible for appointment as secretary during the years 1948—67 and some pre-independence years (with projection into the future upto 1989)

Year	No. of secretaries	No. of ICS/IAS officers eligible for apptt. as Secy.	Selectivity ratio (i.e. col. 3 to col. 2)
1	2	3	4
1934 . . . . .	9	223	25:1
1935 . . . . .	9	242	27:1
1936 . . . . .	9	213	24:1
1937 . . . . .	10	172	17:1
1938 . . . . .	10	199	20:1
1939 . . . . .	9	178	20:1
1940 . . . . .	19	87	5:1
1949 . . . . .	20	102	5:1
1950 . . . . .	21	110	5:1
1951 . . . . .	19	129	7:1
1952 . . . . .	18	141	8:1
1953 . . . . .	20	163	8:1
1954 . . . . .	22	175	8:1
1955 . . . . .	20	188	9:1
1956 . . . . .	22	162	7:1
1957 . . . . .	23	150	7:1
1958 . . . . .	23	147	6:1
1959 . . . . .	22	157	7:1

1	2	3	4
1960 . . . . .	22	166	8:1
1961 . . . . .	23	164	7:1
1962 . . . . .	23	169	7:1
1963 . . . . .	22	177	8:1
1964 . . . . .	25	201	8:1
1965 . . . . .	28	222	8:1
1966 . . . . .	33	254	8:1
1967 . . . . .	31	288	9:1
1968 . . . . .	30	318	11:1
1969 . . . . .	30	378	13:1
1970 . . . . .	30	382	13:1
1971 . . . . .	30	414	14:1
1972 . . . . .	30	431	14:1
1973 . . . . .	30	430	14:1
1974 . . . . .	30	424	14:1
1975 . . . . .	30	448	15:1
1976 . . . . .	30	457	15:1
1977 . . . . .	30	464	15:1
1978 . . . . .	30	485	16:1
1979 . . . . .	30	498	17:1
1980 . . . . .	30	554	18:1
1981 . . . . .	30	588	20:1
1982 . . . . .	30	592	20:1
1983 . . . . .	30	628	21:1
1984 . . . . .	30	675	22:1

1	2	3	4
1985 . . . . .	30	728	24:1
1986 . . . . .	30	766	26:1
1987 . . . . .	30	846	28:1
1988 . . . . .	30	942	31:1
1989 . . . . .	30	1,038	35:1

- NOTES : 1. The figures given in respect of each year represent the position obtaining at the commencement of that year.
2. For the purpose of this statement, an officer who has completed 22 years service in the ICS/IAS has been taken as eligible for appointment as secretary.
3. The number of secretaries represents the number of posts of secretaries normally manned by members of ICS, IAS and other generalist services. It excludes posts of secretaries in the Ministries of External Affairs and Law, which are generally manned by members of the Indian Foreign Service, and the Central Legal Service, respectively. For similar reasons, secretary in the Department of Atomic Energy, which post is generally held by a scientist has been excluded.
4. In projecting the number of secretaries into the future a steady figure of 30 has been assumed. This is based on the assumption that of the 41 departments recommended by the study team in its earlier report 6 departments, namely, those of Atomic Energy, External Affairs, Legal Affairs, Legislative, Railways and Science and Technology will not normally be headed by ICS/IAS officers. Five more departments, viz. those of Administrative Reforms, Export Industries, Family Planning, Parliamentary Affairs and Statistics, it has been visualised, may not need fullfledged secretaries. A single secretary has been assumed for each of the remaining 30 departments.

# ANNEXURE XIII

(Para 6.14)

Statement showing tenures of appointment of secretaries to the Government of India in certain ministries since 1947.

Sl. No.	Ministry/Department	Number of secretaries with actual tenure of :					Total of cols. 3-6	Average tenure (years)	Longest tenure (years)	Shortest tenure (years)
		Less than 2 years	2 years and above but less than 4 years	4 to 6 years	Over 6 years	6				
1	2	3	4	5	6	7	8	9	10	
1	Communications	.	.	.	.	6	2.7	5.8	0.3	
2	Defence	.	.	.	.	4	4.8	6.04	3.6	
3	Education	.	.	.	.	4	3.1	4.3	1.5	
4	Finance (Economic Affairs)	.	.	.	.	6	3.2	5.1	1.5	
5	Finance (Revenue and Expenditure)	.	.	.	.	7	2.6	6.5	0.5	
6	Agriculture	.	.	.	.	5	2.9	4.0	1.8	
7	Food	.	.	.	.	4	2.9	5.4	1.7	
8	Health and Family Planning	.	.	.	.	7	2.2	7.2	0.1	
9	Home	.	.	.	.	5	3.3	4.9	1.3	

1	2	3	4	5	6	7	8	9	10
10	Industrial Development	.	.	.	.	1	1	1	0.7
11	Information and Broadcasting	.	.	.	.	2	3	1	1.2
12	Irrigation and Power	.	.	.	.	..	2	..	2.3
13	Labour and Employment	.	.	.	.	..	3	..	3.5
14*	Planning Commission	.	.	.	.	1	1	..	1.1
15	Steel, Mines and Metals	.	.	.	.	2	..	2	0.4
16	Transport	.	.	.	.	1	1	3	1.8
17	Works and Housing	.	.	.	.	2	3	1	0.6
		25	30	21	8	84	25	25	
		29.8%	35.7%	25%	9.5%				

\*The position shown relates to the period for which Planning Commission had separate secretary.

## ANNEXURE XIV

(Para 6.17)

### Measures taken by the Government of India in the recent past to improve senior management

#### A—Institutional arrangements

**1. Institution of Cabinet Secretary.**—As early as 1950 the Government had recognised the need to invest the institution of Cabinet Secretary with a more positive role in relation to personnel administration. This is reflected in its acceptance of the recommendation made in the Ayyangar report (1949) that the Cabinet Secretary should be “an administrative officer of the highest rank selected for the office for his special qualities of tact, energy, initiative and efficiency”; that he should be “a sufficiently senior officer to command the respect and confidence of all ranks of permanent service” and that he should be “*ex-officio* president of the Committee of Secretaries set up to advise the Prime Minister and other ministers on selections for administrative appointments”.

**2. Appointments committee of the Cabinet.**—An appointments committee of the Cabinet headed by the Prime Minister was set up in 1950 to deal broadly with all appointments in the Secretariat at the level of deputy secretary and above and outside the Secretariat against posts carrying pay scales above Rs. 2,000 p. m. In 1961, a provision was made in the Government of India (Transaction of Business) Rules, requiring approval of the Cabinet to proposals involving creation of posts or re-employment of officers on pay exceeding Rs. 3,000 p. m.

**3. Central Establishment Board.**—In 1951, the old selection board was reorganised and it was decided that the reorganised board (called the “Central Establishment Board”) should be headed by the Cabinet Secretary. Appointments to the posts of secretary were specifically excluded from the purview of the Central Establishment Board. Instead, the Cabinet Secretary, *qua* Chairman of the Board, was empowered to consider the claims of various officers, whether serving at the Centre or in the states, and to submit his recommendations direct for the orders of the Appointments committee of the Cabinet. In the reorganisation of the Central Establishment Board in 1954, the appointments to the posts of additional secretary also were excluded from its purview. The Cabinet Secretary was now to formulate on his own such proposals for the approval of the Appointments committee of the Cabinet.

**4. Administrative organisation committee of the Cabinet.**—For considering measures for the reorganisation of the machinery of the Government covering all the three broad aspects, *viz.*, structures, personnel and methods, an *ad hoc* administrative organisation committee of the Cabinet was set up in 1950. The Committee was in existence for nearly a decade.

**5. Secretaries committee on administration.**—In 1961, the Government appointed a Secretaries committee on administration as a standing machinery for locating administrative deficiencies and initiating measures for improvement. This committee has ceased to exist and its work is now looked after by the Secretaries committee on internal affairs.

#### B—Measures for improving quality of senior management

**6. Strengthening at levels of J. S. and above.**—In 1965, while conceding the need to strengthen all decision making levels, Government observed that this was particularly necessary at the levels of joint secretary and above because it was from those levels that administrative leadership, supervision and guidance were expected

to flow. It was then decided that standards of selection for these posts should be tightened. The respective role of the present three functionaries at senior management levels, *viz.*, joint secretary, additional secretary and secretary were also clearly defined. Secretaries were requested to review arrangements for internal delegations and to organise analytical studies of work actually handled by individual officers at the level of joint secretary and above, with a view to locate items of work, about which delegations, orders, or instructions could issue, requiring disposal at lower levels. They were also requested to consider the feasibility of transferring to joint secretaries some of the work currently handled by them, *e.g.* that connected with inter-departmental committees, negotiations and conferences abroad, and visits of distinguished visitors, both Indian and foreign.

**7. Test of results and weeding of ineffectives.**—The acceptance of the principle that the success or failure of an individual officer must be judged rigorously by the test of results, led to a proposal in 1961 to appoint a committee in each ministry to locate officials, who are ineffective or against whom suspicion existed regarding their integrity, amounting to moral conviction. An outcome of this proposal has been that government has of late been screening officers at senior management levels. The following passage in the Prime Ministers' broadcast of July 1966 is significant in this context.

"When I spoke to you last month, I said seniority should yield to merit. Since then, a number of senior secretariat appointments have been reviewed and certain changes are being effected. This is a beginning."

**8. Minimum tenure for key appointments.**—In 1961, the government decided that officers in key posts should be kept on their jobs for atleast five years to enable them to produce the results expected of them. If there was any loss of prospects by their being kept in a particular post in the public interest, such loss should be adequately protected against.

**9. Revision of pay of senior management posts.**—In 1962, government introduced a selection grade (Rs. 1800-2000) between the senior and the super-time scale of pay of the Indian Administrative Service. In 1965, it sanctioned an upward revision of the super-time scales of pay. As a result, the pay of IAS secretaries, additional secretaries and joint secretaries and equivalent officers was raised. The benefits of the upward revision of the scales of pay were subsequently extended to other services also. This upward revision of pay scales was meant to generate a greater measure of 'elan' at senior management levels.

### **C—Development of sources for senior management**

**10.** Since independence, government have almost continuously grappled with the problem of developing sources for drawing on personnel for the staffing of its middle and senior management levels. These efforts are reflected not only in the organisation of All India Services but also in the constitution of certain 'specialist' Central Services and the formulation of schemes like the ICA (Central) Cadre, and Central administrative pool.

**11. Constitution of new Central Services.**—New service cadres in certain specialised fields of activity were organised to facilitate man-power on a long-term basis and to ensure the availability of an adequate number of officers possessing the right combination of basic calibre and experience. The Central Legal Service, the Indian Economic Service, the Indian Statistical Service and the Central Information Service are among the instances in point.

**12. ICA(Central) Cadre, 1950.**—In 1950, government formulated a scheme for ICA(Central) cadre to overcome the vagaries of 'tenure-deputation' system and to develop specialisation among a proportion of persons drawn from IAS and central

services for appointment at the Centre. The central cadre was to comprise two pools—the special administrative pool designed to serve the needs of economic ministries and thus to replace the Finance-Commerce Pool, and the General Administrative Pool for staffing other departments. Officers of IAS and Central Services, like IA&AS were to come to the Centre on tenure-deputation, in the first instance. On the expiry of their first tenure, majority of them were to revert to their parent services. A few were, however, to be selected for quasi-permanent deputation and to remain with Centre for the rest of their service, unless required to go back to their parent cadres for a period of counter-deputation.

**13. Central Administrative Pool, 1957.**—The above scheme could not be implemented mainly because the state governments were never fully in favour of it. A new scheme for the constitution of a Central Administrative Pool was therefore evolved in 1957 to build up a reserve of officers with special training and experience for the purpose of economic administration and for maintaining continuity of knowledge and experience in the field of general administration. The important feature of this scheme was the provision regarding lateral recruitment of persons with specialised qualifications directly from the open market at higher age levels. It is understood that this scheme is undergoing certain modifications.

**14. Reorganisation and reinforcement of C.S.S.**—The reorganisation of the Central Secretariat Service in 1948-50 by providing for direct recruitment to the Section Officer's grade and arranging for executive training for selected officers of grade I and grade II was another significant attempt to make that service yield personnel for middle management and senior management levels.

**15. Induction of scientists and technologists to administrative posts.**—Besides appointing specialists and technologists as advisers, attempts have been made in the past to throw open even the highest administrative posts to scientists, technologists and other scholars of eminence. Appointments of Dr. Jivraj Mehta, Dr. Tara Chand, Dr. Bhabha, Dr. Bhatnagar and Prof. Thacker as secretaries may be cited as instances. These also underscore the anxiety of the Government to devise a system in which the outstanding scientists and technologists can aspire to rise to the highest administrative posts. The Prime Minister's observation in her convocation address at the University of Roorkee on 18-11-1967 that administrative system must reflect an individual's contribution to human welfare and economic gain sums up Governmental thinking in this field.

**16. Lateral recruitment.**—Even in its first five year plan the Planning Commission had recommended (a) that individuals with high academic qualifications and special experience in the economic field should be drawn into administrative services at age-limits exceeding those fixed for initial recruitment, (b) that a proportion of junior officers in the administrative services should be selected early in their careers and given intensive training in the economic field and (c) that individuals with special experience and knowledge in other fields such as universities, banking and finance and industry should be drawn into public services for manning responsible senior posts. These recommendations have been accepted by Government in principle.

**17. Training.**—The expansion in the facilities for the training of public servants, particularly in the fields of 'Inservice training' and 'Executive Development Programme' has been significant. The founding of the Indian Institute of Public Administration, the setting up of the Administrative Staff College on the lines of a similar college at Henley on Thames in U.K., the organisation of refresher training programmes in the National Academy of Administration and arrangements for the participation of civilian personnel in the courses of the National Defence College are aspects of this expansion. The proposal to set up a training division in the Ministry of Home Affairs is equally significant.

# ANNEXURE XV

[Para 6.26(c)]

Statements showing the tenures of appointment of the Chief Justices of the Supreme Court and Chairmen, Railway Board

## A—Statement showing the tenures of appointment of Chief Justices of the Supreme Court (since November, 1951)

S. No.	Name of Chief Justice	Tenure of appointment			Remarks
		years	months	days	
1	Shri M. Patanjali Shastri	2	1	27	
2	" Mehr Chand Mahajan	0	11	19	
3	" Bijan Kumar Mukherjee	1	1	8	Died 6 months and 13 days before his due date of retirement.
4	" Sudhi Ranjan Dass	4	9	8	
5	" B. P. Sinha	4	4		
6	" P. B. Gajendragadkar	2	1	15	
7	" A. K. Sarkar	0	3	14	
8	" K. Subba Rao	0	9	11	Resigned 3 months and 5 days before his due date of retirement.
	" K. N. Wanchoo	0	10	14	Calculated with reference to the anticipated date of retirement.

\*Average tenure : 1 11 6

\*This represents the actual average tenure of the nine Chief Justices. If the appointments of the two Chief Justices who did not complete their full tenure (namely Shri B. K. Mukherjee and K. Subba Rao), are excluded, the average comes to 2 years 2 months and 18 days. If, on the other hand, their *full* (as distinct from *actual*) tenure is taken into account, the average tenure works out to 2 years and 8 days.

**B—Statement showing the tenures of appointment of Chairmen,  
Railway Board (Since September, 1947).**

S. No.	Name of Chairman	Tenure of apptt. without ex- tension	Extension if any, granted			Total tenure		
		Y M D	Y	M	D	Y M D		
1	Shri K. C. Bakhle. . . . .	3 6 21	..	..	..	3 6 21		
2	„ F. C. Badhwar . . . . .	1 5 4	2	0	26	3 6 ..		
3	„ G. Pande . . . . .	2 3 ..	..	..	..	2 3 ..		
4	„ P. C. Mukharjee . . . . .	2 5 29	..	..	..	2 5 29		
5	„ K. B. Mathur . . . . .	.. 3 1	..	6	18	.. 9 19		
6	„ Karnal Singh . . . . .	1 9 6	..	6	22	2 3 28		
7	„ D. C. Baijal . . . . .	2 2 14	..	9	8	2 11 22		
*8	„ Kripal Singh . . . . .	.. ..	..	1	5	14 1 5 14		
Average tenure . . . . .		1 11 28				2 5 2		

\*Had been granted extension of tenure as Member, Railway Board, Later promoted as Chairman.

# ANNEXURE XVI

(Paras 7.19 and 7.21)

## Delegation of financial powers

Existing						Proposed					
Organisa- tion	Creation of posts	Reappo- riation	Purchases and contracts	Contingent expenditure	Write off of losses	Organisa- tion	Creation of posts	Reappo- riation	Purchases and contracts	Contingent expenditure	Write off of losses
1	2	3	4	5	6	(1)	(2)	(3)	(4)	(5)	(6)
Departments of the Cen- tral Govern- ment.	Power to crea- te temporary posts up to joint secre- tary's rank, subject to the restric- tions laid down in the Ministry of Finance O. M.No. 10(50) -E. (Coord) o 15.3.66.	Full powers subject to the res- trictions contained in Rule 8 of DFPR, 1958.	Subject to prescribed procedures : (a) up to Rs. 25 lakhs —any pur- chase or con- tract, (b) up to Rs. 10 lakhs —any ne- gotiated or single top- der contract, (c) up to Rs. 5 lakhs —any in- dependent stores of a proprietary nature, (d) nil— for any agree- ment or con- tract for technical col- laboration or consultancy service with firms or	Full powers subject to the following res- trictions : (a) procedural restrictions, e.g., GPWD to be con- sulted in the procurement of ac- commodation, CCP & S in the purcha- se of station- ery, Law Ministry in respect of legal charg- es, etc., and (b) monetary itemised res- trictions such as local pur- chase of rubber stam- ps and offi- ce seals not to exceed Rs. 100 per annum or Rs. 20 at a time, print-	(a) Rs. 25,000 for losses of stores not due to theft, fraud or negligence, (b) Rs. 10,000 for other cases, and (c) Rs. 10,000 for deficien- cies and de- preciation in the value of stores includ- ed in the stocks and accounts.	A. Admi- nistrative ministries	No change	The following three restric- tions con- tained in Rule 8 of DFPR, 1958 should be removed : (a) reappo- riation not to be made from the primary unit "Major wor- ks" to any other unit, (b) provision for any scheme not to be an- nounced by more than 5% or Rs. 1 lakh, which- ever is more, and (c) provision made for a scheme in a primary unit not to be	*Subject to prescribed procedures : (a) full po- wers, (b) up to Rs. 20 lakhs. (c) up to Rs. 20 lakhs. (d) no change and (e) full pow- ers.	*Full powers subject to write off cases above prescribed limits being reported to the Ministry of Finance.	

\* Powers to be delegated only where administrative ministries have chief finance officers as suggested in chapter III.

ing and  
binding ex-  
ecuted lo-  
cally not to  
exceed Rs.  
1,000 per  
annum etc.

foreign go-  
vernments,  
and  
(c) up to  
Rs. 5 lakhs—  
any purcha-  
se made di-  
rect on gro-  
unds of em-  
ergency.

#### Head of De- partment

(a) Powers to  
create tempo-  
rary class II  
posts for a  
period not  
exceeding 2  
years.

(b) Powers to  
create tempo-  
rary class  
III and class  
IV posts with-  
out any res-  
triction as to  
the period  
subject to  
other restric-  
tions laid  
down in the  
Ministry of  
Finance O.M.  
no. 10/50  
-E (Coord)/  
65 of 15.3.66.

Not specified  
in DFR,  
1958; but  
varying pow-  
ers have been  
delegated by  
different mi-  
nistries in  
consultation  
with the  
Ministry of  
Finance.

Powers sub-  
ject to the  
following  
restrictions :

(a) procedural  
restrictions  
e.g., CPWD  
to be consult-  
ed in the ren-  
ding of ac-  
commodation,  
CCP&S in  
the purchase  
of stationery,  
Law Minis-  
try in res-  
pect of legal  
charges, etc.  
and

(b) monetary,  
furnished res-  
trictions such  
as local pur-  
chase of rub-  
ber stamps  
and office  
seals not to  
exceed Rs.  
100 per an-  
num or Rs.  
20 at a time,  
printing and  
binding ex-  
penditure lo-  
cally not to ex-

#### B. Line or- ganisations

(a) Powers to  
create tem-  
porary class  
I posts carry-  
ing a maxi-  
mum pay of  
Rs. 1,250  
per month  
for a period  
not exceed-  
ing 2 years,

(b) other  
powers as  
for head of  
department  
at present.

Same as for  
administra-  
tive minis-  
tries, though  
subject to  
the reappor-  
tionation of the  
latter, ex-  
cept that no  
reappropria-  
tion should  
be possible  
without the  
previous con-  
sent of the ad-  
ministrative  
ministry :

(a) from the  
primary unit  
"Major Wo-  
rks" to any  
other unit,

(b) to aug-  
ment provi-  
sion for any  
scheme by  
more than  
5% or Rs. 1  
lakh which-  
ever is more,  
powers men-

reappropria-  
ted to meet  
expenditure  
for any other  
purpose provid-  
ed in ano-  
ther pri-  
mary unit  
except with-  
in groups  
of schemes,  
the group-  
ing having  
been appro-  
ved by the  
Finance Mi-  
nistry.

Full powers  
within allo-  
cated amount  
subject to  
procedural  
restrictions.  
There should  
be no mono-  
etary, itemis-  
ed restric-  
tions.

(a) For major  
purchasing &  
contracting  
organisations  
i.e. having  
budget pro-  
visions ex-  
ceeding Rs.  
50 lakhs un-  
der the units  
of appropri-  
ation such as  
"Works", "Sto-  
cks and Equip-  
ments" etc.,  
taken to-  
gether, same  
powers as  
the depart-  
ments of the  
Central Go-  
vernment  
have at pre-  
sent,

(b) Rs. 20,000  
for deficien-  
cies and de-  
preciation in  
the value of  
stores includ-  
ed in this  
stock and  
other ac-  
counts.

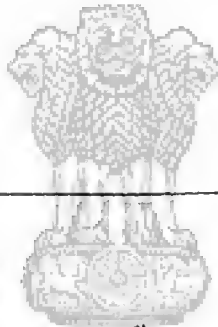


tionary, Law Ministry in respect of legal charges, etc.; and (b) monetary, itemised restrictions, such as local purchase of rubber stamps and office seals not to exceed Rs. 100 per annum or Rs. 10 at a time, printing and binding executed locally not to exceed Rs. 200 per annum, purchase and repairs of fixtures and furniture not to exceed Rs. 100 in each case etc.

#### B. 4. Sub-executive level

Full powers within allocated amount subject to procedural restrictions. There should be no monetary, other accounts.

Rs. 250 for deficiencies and depreciation in the value of stores included in the stock and other accounts.



#### C. Special Organisations.

C.1a. Making agencies.

(a) Powers to create temporary class II posts for a period not exceeding 2 years, (b) powers to create temporary class III and class IV posts without any restriction as to the per-

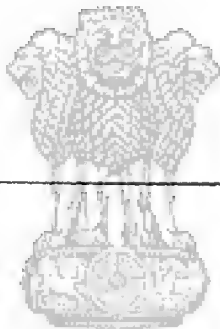
Same as for administrative services though subject to the approval of powers of the latter, except that no representation should be possible without the previous consent of

Twice the existing monetary limits but in no case exceeding the proposed powers of head quarters.

Full powers within allocated amount subject to procedural restrictions. There should be no monetary, itemised restrictions.

(a) Rs. 10,000, for irrecoverable losses of stores, (b) Rs. 5,000 for irrecoverable losses of public money, and (c) Rs. 20,000 for deficiencies and depreciation in the value of

Existing						Proposed					
Organisa- tion	Creation of posts	Reappro- priation	Purchases and contracts	Contingent expenditure	Write off of losses	Organisa- tion	Creation of posts	Reappropria- tion	Purchases and contracts	Contingent expenditure	Write off of losses
1	2	3	4	5	6	(1)	(2)	(3)	(4)	(5)	(6)
							iod, subject to other restrictions laid down in the Ministry of Finance C.M. No. 10 (59)-E (Contd)/65 of 15.3.66.	the administrative ministry ; (a) from the primary unit "Major Works" to any other unit,			stores included in the stock and other accounts.
								(b) to augment provision for any scheme by more than 5% or Rs. 1 lakh which ever is more, and			
								(c) from the provision made for a scheme in one primary unit to meet expenditure for any other purpose provided in another primary unit.			
						C.I.b. Other training agencies	Powers to create temporary class III and class IV posts without any restriction as to period, subject to other restrictions laid down in	..	Twice the existing monetary limits but in no case exceeding the proposed powers of major training agencies.	Full powers within allocated amount subject to procedural restrictions. There should be no monetary, itemised, restrictions.	(a) Rs. 5,000 for irrecoverable losses of stores, (b) Rs. 1,000 for irrecoverable losses of public money, and



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Ministry of  
Finance  
O.M. No.10  
(50)-E  
(Coord)/65  
of 15.3.66.

C.2a-Large  
hospitals

(a) Powers to create temporary class II posts for a period not exceeding 2 years,

(b) powers to create temporary class III and class IV posts without any restriction as to the period, subject to other restrictions laid down in the Ministry of Finance  
O. M. No. 10(50)E  
(Coord)/65  
of 15.3.66.

Same as for administrative ministries, though subject to the reappropriation powers of the latter, except that no reapportionment should be possible without the consent of the administrative ministry :

(a) from the primary unit "Master Works", to any other unit,

(b) to augment provision for any scheme by more than 5% or Rs. 1 lakh, whichever is more, and

(c) from the provision made for a scheme in any primary unit to meet expenditure for any other purpose provided in another primary unit.

Twice the existing monetary limits but in no case exceeding the proposed powers of headquarters.

Full powers within allocated amount subject to procedural restrictions. There should be no monetary, itemised restrictions.

(c) Rs. 10,000 for deficiencies and depreciation in the value of stores included in the stock and other accounts.

(a) Rs. 10,000 for irrecoverable losses of stores,

(b) Rs. 5,000 for irrecoverable losses of public money, and

(c) Rs. 20,000 for deficiencies and depreciation in the value of stores included in the stock and other accounts.

Existing						Proposed					
Organisa- tion	Creation of posts	Reap- pro- pation	Purchases and contracts	Contingent expenditure	Write off of losses	Organisa- tion	Creation of posts	Reap- pro- pation	Purchases and contracts	Contingent expenditure	Write off of losses
1	2	3	4	5	6	(1)	(2)	(3)	(4)	(5)	(6)
						C.2b. Other hospitals	Powers to create tem- porary class III and class IV posts without any restriction as to the peri- od, subject to other res- trictions laid down in the Ministry of Finance O. M. No. 10(50).E (Chord) 165 of 15.3.66.	..	Twice the ex- isting mon- etary limits but in no case exceed- ing the pro- posed pow- ers of large hospitals.	Full powers within al- located amo- unt subject to procedure to procure- al restric- tions. There should be no mon- etary, item- ised restric- tions.	(a) Rs.5,000 for irrecove- rable losses of stores, (b) Rs.1,000 for irrecove- rable losses of public money, and (c) Rs.10,000 for deficien- cies and de- preciation in the value of stores in- cluded in the stock and other ac- counts.
						C.3. Scien- tific insti- tutions.	(a) Powers to create tem- porary class I posts carry- ing a ma- ximum pay of Rs.1,250 p.m. for a period not exceeding 2 years, (b) powers to create tem- porary class II, III & IV posts with- out any res- triction as to the period, subject to other restric-	Same as for admini- strative ministries, subject to the reap- proportion powers of the latter, ex- cept that no reap- proportion should be possible without the previous consent of the admini- strative ministry :	Twice the ex- isting mon- etary limits but in no case exceed- ing the pro- posed pow- ers of head- quarters.	Do.	(a) Rs.10,000 for irrecove- rable losses of stores or of public mo- ney, and (b) Rs.20,000 for deficien- cies and de- preciation in the value of stores includ- ed in the stock and other ac- counts.

tions laid down in the Primary Unit "Major Works" to Finance O. M. No. 10(50)-E. (Coord)/65 of 15.3.66.

(a) from the primary unit, any other unit,

(b) to augment provision for any scheme by more than 5% on Rs. 1 lakh which is ever, and

(c) from the provision made for a scheme in one primary unit to meet expenditure for any other purpose, provided in another primary unit.

Same as for headquarters.

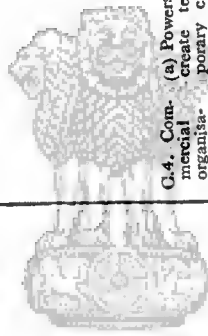
Same as for administrative ministries though subject to the reappropriation of powers of the latter, except that no reappropriation should be possible without the consent of the administrative ministry :

(a) from the primary unit

(a) Powers to create temporary class posts carrying a maximum pay of Rs. 1,250 p.m. for a period not exceeding 2 years.

(b) Powers to create temporary class posts without the previous consent of the administrative ministry :

C.4. Commercial organisations.



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Existing						Proposed					
Organisa- tion	Creation of posts	Reappo- riation	Purchases and contracts	Contingent expenditure	Write off of losses	Organisa- tion	Creation of posts	Reappo- riation	Purchases and contracts	Contingent expenditure	Write off of loss
1	2	3	4	5	6	(1)	(2)	(3)	(4)	(5)	(6)
							down in the Ministry of Finance OM No. 10(50)E (Genl)/65 of 15-3-66.	"Major Works" to any other unit, (b) to aug- ment provi- sion for any scheme by more than 5 % of Rs. 1 lakh which- ever is more, and (c) from the provision made for a scheme in one primary unit to meet expenditure for any other purpose pro- vided in another pri- mary unit.			

DFPR, 1958—Delegation of Financial Powers Rules, 1958.

GPWD—Central Public Works Department.

CCP&amp;S—Chief Controller of Printing &amp; Stationery.

# ANNEXURE XVII

(Para 7.29)

## Delegation of tasks in personnel administration

Organisation	Major tasks such as appointment, confirmation, promotion, re-employment, retirement, transfers and postings, study leave, etc., imposition of major penalties, such as, reduction to a lower service or grade, removal, dismissal from government service, etc., in relation to	Minor tasks such as sanction of leave, sanction of tours, etc., deputation of officers and staff for training in accordance with approved training programmes, forwarding applications for jobs outside the department, permitting officers to attend seminars, selection committees, etc., imposition of minor penalties, such as, censure, withholding of increment, etc., in relation to
1	2	3
A. Administrative ministries	(a) Head of organisation (b) Senior management (c) Middle management and non-management staff in the ministry.	(a) Head of organisation (b) Senior management, middle management and non-management staff in the ministry.
B. Line organisations B.1. Headquarters	(a) Middle management (b) Non-management staff in the headquarters	(a) Senior management (b) Middle management and non-management staff in the headquarters
B.2. Supervisory level	Non-management staff in the supervisory office	(a) Middle management (b) Non-management staff in the supervisory office
B.3. Executive level	Non-management staff in the executive and sub-executive offices.	Non-management staff in the executive and sub-executive offices.

C. Specialist organisations

C.1a. Major training agencies	Non-management staff in the agency	Middle management and non-management staff in the agency.
C.1b. Other training agencies	Non-management staff in the agency	Middle management and non-management staff in the agency
C.2a. Large hospitals	Middle management and non-management staff in the hospital	Senior and middle management and non-management staff in the hospital
C.2b. Other hospitals	Non-management staff in the hospital	Middle management and non-management staff in the hospital
C.3. Scientific institutions	Middle management and non-management staff in the institution	Senior and middle management and non-management staff in the institution
C.4. Commercial organisations	Middle management and non-management staff in the organisation.	Senior and middle management and non-management staff in the organisation.

NOTE.— Consultation with the administrative ministry or headquarters may be necessary if a substitute is required in senior and middle management cadres.

## SPECIAL ANNEXURE A

(Para 3.29)

### Skeleton reorganisation scheme for four selected ministries— study reports.

Sections		Page
I	Introductory . . . . .	49
II	Ministry of Health and Family Planning . . . . .	50
III	Ministry of Education . . . . .	64
IV	Ministry of Commerce . . . . .	71
V	Ministry of Steel, Mines and Metals . . . . .	79



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## SPECIAL ANNEXURE A

(Para 3.29)

### Skeleton reorganisation scheme for four selected ministries— study reports

#### I

##### Introductory

1.1 As stated in chapter III, skeleton reorganisation exercises were carried out in four non-staff ministries to test the ideas set out in the proposed system. Two of the ministries selected for this purpose, *viz.* the Ministry of Health and Family Planning and the Ministry of Education handle mainly state subjects; the other two, *viz.* the Ministry of Commerce and the Ministry of Steel, Mines and Metals handle mainly central subjects.

1.2 For each of these four ministries, there is a separate report. These represent nothing more than skeleton reorganisation exercises undertaken to test the practicability of the scheme. They are not attempts to produce detailed plans for these ministries.

1.3 The scheme developed for non-staff ministries in chapter III, being general, did not indicate the slight variations that would be necessary for its application to multi-department ministries. The Ministry of Health and Family Planning and the Ministry of Steel, Mines and Metals are even now multi-department ministries and they will continue to be so. In the earlier report of the study team, it was recommended that the Ministry of Commerce and the Ministry of Education should also have two departments each. The study reports, therefore, bring out prominently how the administrative offices for staff work and the policy advisory committees should be set up and how they should function in such multi-department ministries.

1.4 According to the scheme, the secretary should continue to be at the apex of the ministry. Whether it is necessary to have a secretary at the head of each department in a multi-department ministry has to be viewed in the light of two considerations. Firstly, while the earlier report spoke of a department being conceived of as a secretary's charge, it left the question open as to whether every department necessarily should be headed by a secretary; in fact, the possibility of other organisational arrangements was conceded. Secondly, while discussing the problem of inter-departmental co-ordination in a multi-department ministry, it was suggested in that report that one of the secretaries in such a situation should be squarely allotted the responsibility for co-ordination within that ministry. A decision on the first point must take into account the individual circumstances in each ministry. As for the second, it should be for the minister to assign the co-ordinating role to the secretary who has the ability or natural advantage of fulfilling that function.

1.5 Whether it is necessary to have separate planning and policy offices for each department in a multi-department ministry depends upon the circumstances of the different ministries having more than one department. A common planning and policy office may serve the purpose provided there is sufficient affinity between the subjects allotted to the various departments. Where a number of complex tasks are to be handled, it might be better to have separate planning and policy offices.

1.6 Whether there should be separate sets of personnel, finance and public rela-

tions offices for each department in a multi-department ministry or whether a single set could do also requires consideration. Where a single set is enough, its location and relationship with the departments to be serviced are further questions requiring answers. The advantage in having separate sets of personnel, finance and public relations offices would be that this would make each department operationally self-sufficient. But the workload in each department may not be sufficient to justify separate sets of offices. Furthermore, since the aim must be to man these offices in due course by specialists—and specialists are bound to be in short supply for some time to come—there may be much to be gained by having a single set servicing the departments. This single set should be placed organisationally outside the departments, but for internal administration and supervision should work under the control of the co-ordinating secretary.

1.7 As in the case of offices of planning and policy, the need for a separate policy advisory committee for each department in a multi-department ministry must be judged on the circumstances of the different ministries.

1.8 The Ministry of Commerce and the Ministry of Steel, Mines and Metals have ex-Delhi organisations. The chiefs of these organisations should be given the same position organisationally as the chiefs of New Delhi based organisations. Arrangements like telex, location of liaison officers at New Delhi, would make good the present inadequate 'communication'.

1.9 An illustrative phased plan of implementation showing the precise steps to be completed each year and the implications in terms of personnel and finance has been worked out for the Ministry of Health and Family Planning only.

## II

### Ministry of Health and Family Planning

#### *Basic facts*

2.1 The Ministry of Health and Family Planning has two departments : (a) Department of Health; and (b) Department of Family Planning. These handle subjects largely in the State List.

2.2 The Department of Health handles mainly type B work, *i.e.*, substantive work for which there is a non-secretariat organisation, which in this case is the Directorate General of Health Services. In the department, there are subject joint secretaries, deputy secretaries and under secretaries looking after type B work. A deputy secretary assisted by under secretaries looks after establishment and office management.

2.3 In the Department of Family Planning, the office of the commissioner for family planning is placed functionally in the secretariat without secretariat status. There is, however, a subject joint secretary to look after policy and planning. A deputy secretary and two under secretaries look after personnel and office management.

2.4 There is also an internal financial adviser of deputy secretary's rank for rendering financial advice to the two departments. He is under the administrative control of the Secretary, Department of Health.

2.5 The departments are at present under a single secretary.

2.6 A chart showing the existing structure of the Ministry of Health and Family Planning is at page 53.

2.7 In the earlier report of the study team, it was suggested that there should be a Ministry of Health, Family Planning and Regional Planning with a separate department for each of the three activities. In this study report, only the Department of Health and the Department of Family Planning are covered.

*Special features*

2.8 In the field of Health, the executive agencies are the state governments, since the central executive agency (DGHS) carries executive responsibility for a limited field only. Save for co-ordination of the work in the states and providing initiative, and leadership in the specialised and technical aspects, the main task of a ministry operating in the State List will be development and formulation of strategic policy. Accordingly, the greater part of such a ministry needs to be transformed into an efficient organisation for policy, planning, as also technical advice since it is intimately connected with development of overall and co-ordinated policy and plan programme. There should, therefore, be a distinct administrative office in the Department of Health to handle the tasks of planning and policy and technical advice relating to professional education, medical care, public health and public health engineering. This office should deal with functions which have received scant attention in the past, listed at page 55, but should be given more importance in the future. These functions have been detailed by the sister study team on centre-state relationship. Care should be taken to ensure that this office does not overload itself by taking on functions for which there is no clear justification for central handling. This office should keep in touch with its counterpart organisations in the states and should be the main channel through which initiative, leadership and guidance is furnished to the states.

2.9 Although there is affinity between the subjects allotted to the two departments, a separate cell for planning and policy is necessary in the Department of Family Planning since the problem of controlling population growth has assumed emergent proportions.

2.10 The workload in the Department of Family Planning may not justify a separate set of other staff offices for that department. A common chief personnel office, chief finance office and public relations office may, therefore, service both the departments. The offices should be functionally outside both the departments but may be placed administratively under the charge of the Secretary, Department of Health. This would mean that differences between the chief personnel officer, the chief finance officer and the public relations officer on the one hand and chiefs of administrative offices on the other, would be resolved by the department heads, even though the Secretary (Health) would have a special position in regard to the internal organisation of these offices.

2.11 According to the scheme, the headquarters offices of the present non-secretariat organisations should be converted into administrative offices. On this basis, the Directorate General of Health Services, as it now is, should be eligible for conversion into an administrative office. The present functions of the DGHS, however, cover—(a) central field of executive functioning, such as international quarantine, drugs control, Central Government Health Scheme, etc; (b) planning and policy work relating to health; and (c) medical research and medical education. As stated in para 2.8, there should be a separate office of planning, policy and technical advice. Also, as stated in chapter III, where sectoral research is of significant importance, it should enjoy the position of an administrative office. Since medical education goes naturally with research, there should be a separate office for medical research and medical education. The office of the DGHS in the reorganised set-up will then be left with central executive functions only.

2.12 The study team on centre-state relationship has placed considerable emphasis on the role of a central ministry in the field of evaluation of state programmes, at present a relatively neglected subject. If this subject is to be given the importance visualised for it, there should be a full-fledged administrative office of evaluation in the Department of Health. This should be separate from the office of planning, policy and technical advice, to ensure for it a degree of independent functioning.

2.13 Organisational arrangements appear to be necessary in the Department of Family Planning for two important fields, namely, population studies (including both demographic and sociological aspects) and publicity. The planning and policy cell suggested in para 2.9 could, for convenience, be located in the administrative office of population studies.

2.14 For the reasons given in para 2.9, there should be two separate policy advisory committees, one for the Department of Health and another for Family Planning with appropriate arrangements for co-ordination between the work of the two. One such arrangement should be to include as members of both committees, the chief of the office of planning, policy and technical advice in the Department of Family Planning. Another arrangement might be to have the Secretary, Department of Health, who will have the co-ordinating role, as a member of the policy advisory committee of the Department of Family Planning.

#### *Skeleton reorganisation scheme*

2.15 There may be a secretary for the Department of Health and a secretary on the pay of present day additional secretary for the Department of Family Planning. The co-ordinating role should be that of the Secretary (Health).

2.16 The administrative offices for staff, substantive and special work to be set up under Secretary (Health) and those to be set up under the Secretary (Family Planning) are shown in the chart at page 57. The common staff offices for personnel, finance and public relations have been shown in the chart functionally outside both the departments, although organisationally under the Secretary (Health).

2.17 The chief personnel and the chief finance officers should be of the rank of joint secretary drawn from a pool of specialists in personnel and financial managements, respectively. The public relations officer may be of the rank of under secretary, trained and experienced in journalism.

2.18 The chief of the office of planning, policy and technical advice in the Department of Health should be an officer of rank equivalent to joint secretary/additional secretary, who should be the best qualified and available person from among experts and generalists. Under him should be specialists in different fields like medical care, professional education, public health, etc. The chief of the office of the DGHS will continue to be the Director General. The offices of homeopathy and indigenous systems of medicine are suggested to be given separate identity as administrative offices, as these matters have little in common with the other work handled in the ministry. However, these need be only small offices with the existing officers and staff to look after the problems of homeopathy and indigenous systems of medicine. The chief of the office of medical research and medical education should be a director general, who should be a member of the governing bodies of the medical research and/or educational and training institutes. The chief of the office of evaluation should be an officer of the rank of joint secretary drawn from among experts.

2.19 The office of family planning should continue to be headed by a commissioner. The chief of the office of population studies should be an eminent person of standing in the field of demographic studies. The chief of the office of family planning publicity should be an officer well trained and experienced in journalism and publicity.

2.20 The policy advisory committee on the health side should include as members, besides the secretary, the chief of the office of planning, policy and technical advice, the chief of the office of evaluation, the chief of the office of the DGHS, the chief of the office of medical research and education, the chief personnel officer, the chief finance officer and some of the important divisional heads from the office of planning, policy and technical advice. The chief of the office of population studies should also be a member of the committee.

2.21 The policy advisory committee in the Department of Family Planning should consist of the secretary of the department and the chiefs of its three component offices besides the chief personnel and the chief finance officers. The Secretary (Health) or the chief of office of planning, policy and technical advice might also be a member of the committee.

2.22 An illustrative phased plan of implementation is at page 59

Guide list of functions of Central ministries dealing with subjects  
falling within the the state sphere

(Paras 2.8 and 3.7 of special annexure A)

1. Providing initiative and leadership to the states, and in particular serving as a clearing house of information intimating details and data about good programmes and methods adopted in one part of the country to the rest of the country.
2. Undertaking the responsibility for drawing up the national plan for the development sector in question in close collaboration with the states, and developing for this purpose well-manned planning and statistical units.
3. Undertaking research at a national level, confining attention to matters which are beyond the research resources of states.
4. Undertaking training programmes of a foundational nature, e.g., training of planners and administrators and training of trainees.
5. Taking the initiative in evaluation programmes with the object of checking progress, locating bottlenecks, taking remedial measures, making adjustments and so on.
6. Providing a forum and a meeting ground for state representatives for the exchange of ideas on different subjects and for the evolution of guidelines.
7. Attending to functions of the nature of co-ordination which can only be handled at the Centre.
8. Maintaining relations with foreign and international organisations.





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**Phased plan of implementation**  
(Para 2.22 of special annexure A)  
**Ministry of Health and Family Planning**

**1. Introductory**

It is suggested in chapter III that a central reorganisation committee should be made responsible for evolving an overall plan of reorganisation for all the ministries. And that, in each of the four ministries selected, the chief finance officer should, as his first task, draw up detailed plans of implementation for his ministry. The plan here set out for the implementation of the skeleton reorganisation scheme of the Ministry of Health and Family Planning outlined in the study report may, therefore, be treated as purely illustrative and suggestive.

The plan assumes that the entire reorganisation of the Ministry of Health and Family Planning could be completed in three years. A shorter period, it is felt, would prove inadequate for a firm establishment of the scheme; and a longer period might result in slowing down the process which could detract from its benefits.

**2. Guiding approach**

Besides keeping the impact of reorganisation on current work within "tolerance" limits, it would seem necessary to take account of the implications in terms of personnel. The guiding approach should be that, as far as possible, no one may be retrenched or reduced in rank. As such, the rate of growth in surpluses in any grade should, subject to minimum fresh intake, match the annual rate of casualties in that grade. The impact on personnel, more than the financial implications, has been kept in view while drawing up this plan.

**3. Implementation plan**

The steps to be taken for implementation of the reorganisation scheme during a period of three years are indicated below.

**A. First year**

- (1) (a) A post of chief finance officer of the rank of joint secretary should be created.
- (b) An officer experienced in financial management may be appointed to that post.
- (c) He should be made the reorganisation officer and be responsible for the implementation of the scheme.
- (d) The budget, cash and accounts, central registry and house-keeping work in establishment (general), O & M and work study units, parliament cell, now in the Department of Health, should be placed under the charge of the chief finance officer.
- (e) He will have a separate branch for handling questions relating to financial advice to the chiefs of administrative offices, the finance officers or the personnel officers of the administrative offices.
- (2) (a) A post of chief personnel officer of the rank of joint secretary should be created.
- (b) An officer experienced in personnel management may be appointed to that post.

- (c) The existing establishment sections, namely, CHS I, CHS II and establishment (policy), will be placed under the chief personnel officer.
  - (d) He will also deal with vigilance work.
  - (e) All work relating to personnel management, a part of which is now being carried out in establishment (general), medical education section, medical and para-medical section, medical aid section, hospitals section, drugs section, campaigns control section and public health section, should be centralised and placed under the charge of chief personnel officer.
- (3) Immediately after their appointment, the chief personnel and chief finance officers will study the proposed intra-ministry reorganisation methods and procedures of working as outlined in the report with a view to appreciating the nature of their duties in the revised set-up, prepare an adequate plan for the effective functioning of their wings and initiate preparatory action for installing their wings with the least amount of disturbance in the normal flow of work of the ministry. They will hold discussions with their counterparts and with the secretaries of the nodal agencies with a view to understanding and solving likely difficulties and evolving working principles, procedures or practices. They may also undergo brief spells of training as may be decided by the committee of secretaries for reorganisation. All this will be done by them within a period of three months.
- (4) A post of secretary on the pay of present day additional secretary in the Department of Family Planning will be created in place of the existing vacant post of secretary.
- (5) Special powers will be given to the Secretary (Health and Family Planning) for facilitating the implementation of the reorganisation scheme. A list of such powers is at page 63.
- (6) A reorganisation committee of officers of the Ministry of Health and Family Planning may be constituted as follows:—
- (a) Secretary, Ministry of Health, \_\_\_\_\_ as Chairman,
  - and
  - (b) Secretary, Department of Family Planning,
  - (c) Director General of Health Services,
  - (d) Commissioner for Family Planning, \_\_\_\_\_
  - (e) Chief Personnel Officer,
  - (f) Chief Finance Officer, \_\_\_\_\_ as Members.
- The O&M officer under the chief finance officer will provide the secretarial assistance for the committee.
- (7) The reorganisation committee would first deal with:
- (i) Setting up of the office of planning, policy and technical advice. The office of planning, policy and technical advice may be headed by an officer of rank equivalent to additional secretary, who should be the best qualified and available person from among experts and generalists, and may have the following sub-offices, each headed by a specialist as far as possible :
    - (a) Professional education
    - (b) Medical care
    - (c) Public health
    - (d) Planning
    - (e) Statistics
    - (f) Public health engineering.

The existing advisers in the office of the DGHS, the existing officers in the planning bureau, the central health education bureau and the PHE division could be fitted in the new sub-office with suitable modifications, as necessary.

- (ii) Setting up of the Directorate General of Health Services as an administrative office of the Ministry. The office of the DGHS may have the following sub-offices:
  - (a) Personnel
  - (b) Finance
  - (c) CGHS
  - (d) Drugs control
  - (e) Medical
  - (f) Public health
  - (g) Architecture
  - (h) Stores.
- (iii) Setting up of the administrative offices of indigenous systems of medicine and homeopathy.
- (iv) Setting up of a policy advisory committee for Department of Health and framing rules for its composition, terms of reference and methods of functioning.
- (v) Devising training programmes for personnel.
- (vi) Working out in detail:
  - (a) Inter-relationships of administrative offices.
  - (b) Procedure for intra-office consultation and intra-ministry consultation.
  - (c) Procedure for consultation between the personnel officer of an administrative office and the chief personnel officer, between the finance officer of an administrative office and the chief finance officer and between the personnel and finance officers.
- (vii) Adequate financial and administrative delegation of powers to administrative offices, hospitals, medical research institutes, executive offices, etc
- (viii) Delegation of powers of authentication for appropriate officers functioning in the personnel office, finance office, chief personnel office, chief finance office and other officers in the administrative offices.
- (ix) Disbandment of the following sections which will no longer be necessary on account of the reorganisation that would not require subject joint secretaries, deputy secretaries, under secretaries and their staff in the Department of Health:
  - (a) Medical education section
  - (b) Medical and para-medical section
  - (c) Medical aid section
  - (d) Hospitals section
  - (e) Drugs section.
  - (f) Campaigns control section
  - (g) Public health section.
- (x) Deployment of net surpluses in the first year which will be: 2 deputy secretaries 4 under secretaries, 2 section officers, 17 assistants, 4 stenographers, 14 upper division clerks and 26 lower division clerks.

This is expected to yield net savings of the order of Rs. 3.66 lakhs.

- (8) It is understood that direct recruitment to the grades of assistant and clerk will be stopped. Such recruitment will be resorted to if additional posts are created as a result of addition to services or new services ; provided that the surplus cell certifies that it cannot offer personnel for these new posts, and provided further that the chief finance officer of the Ministry and the Department of Administrative Reforms, certify that circumstances do justify outside recruitment.

*B. Second year*

- (1) Setting up of the office of medical research and medical education.
- (2) Setting up of the office of evaluation.
- (3) Setting up of the office of public relations.
- (4) Evolving suitable budgetary classification for each administrative office of the Department of Health.

*C. Third year*

- (1) Setting up of the office of family planning, the office of population studies and the office of family planning publicity in the Department of Family Planning.
  - (a) The chief of the office of family planning may continue to be the commissioner. The office may consist of two sub-offices :
    - (i) Personnel-cum-finance sub-office.
    - (ii) Technical sub-office to deal with family planning programmes, field operations, contraceptives, Hindustan Latex etc.
  - (b) The office of population studies may be headed by a specialist in demographic studies. The officers and research staff now under the commissioner of family planning should be transferred to this office.
  - (c) The office of family planning publicity may be headed by an officer trained in journalism and publicity. The programme officer, the publication officer, the editors, etc., now functioning under the commissioner of family planning should be transferred to this office.
- (2) Setting up of a policy advisory committee for Department of Family Planning and framing rules for its composition, terms of reference and methods of functioning.
- (3) Evolving suitable budgetary classification for each administrative office of the Department of Family Planning.

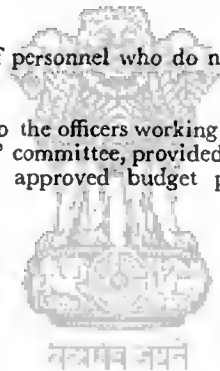
Special powers to be given to Secretary,  
Department of Health.

[ Item (5) on page 60]

- (1) Creation of new posts which normally requires the concurrence of the Ministry of Finance; such posts should be created by Secretary (Health and Family Planning) in pursuance of the reorganisation plan as approved by the secretaries' committee for reorganisation.

Where the expenditure involved in the creation of posts cannot be met from within the sanctioned budget provision (with permissible reappropriation) of that particular office, approval of the secretaries' committee should be specifically taken.

- (2) Selection of suitable officers from different cadres for manning the posts in the reorganised offices, in consultation with the Secretary, Department of Personnel.
- (3) Appointment of specialists on contract basis to posts in the reorganised offices without prior consultation with the UPSC, but after obtaining the approval of the secretaries' committee for reorganisation.
- (4) Retention of officers in the reorganised offices, where necessary, in relaxation of the existing deputation and tenure rules until the latter are suitably modified.
- (5) Transfer and surrender of personnel who do not or will not fit into the new system.
- (6) Sanction of special pay to the officers working in the reorganised offices with the approval of secretaries' committee, provided that the expenditure involved is met from within the approved budget provision.



## III

**Ministry of Education***Basic facts*

3.1 The Ministry of Education handles subjects which are largely in the State List. It has both type A and type B work. It deals with certain items of executive work directly.

3.2 This is not a multi-department ministry. There is one secretary for education. The D. G., C. S. I. R., is also a secretary in the ministry; however, he is in-charge of C.S.I.R. only.

3.3 A chart showing the existing structure of the Ministry of Education is at page 67 .

3.4 This Ministry has statutory bodies like the University Grants Commission, registered societies like the National Council of Educational Research and Training and Lalit Kala Academy, an attached office for archaeological survey and subordinate offices for archives, museums, etc., besides a number of advisory bodies.

3.5 In the earlier report of the study team, it was suggested that this Ministry should have two departments, one for education and another for youth services. That report also contemplated that the work relating to scientific research and scientific surveys should be transferred from the Department of Education to the proposed Ministry of Science and Technology; also that certain other items of work, e.g., NCC from the Ministry of Defence, youth hostels from the Department of Aviation and Tourism, should be added to the proposed Department of Youth Services.

*Special features*

3.6 With the creation of a Department of Youth Services, the Department of Education should deal with central educational programmes, educational research, overall educational planning and policy, as also evaluation and languages. In order that the Department of Youth Services has an adequate charge, it should deal with not only physical education and sports, NCC and youth community services, but also with cultural activities, archaeology, museums, archives, libraries and copy-right.

3.7 There should be an office of planning and policy in the Department of Education to deal with national problems of education and, in particular, to deal with the states. This office should have specialised divisions for different aspects, such as, school, university, technical and social education, plan coordination, statistics, and so on. It should deal with additional functions relating to states listed at page 55.

3.8 Although there is affinity between the subjects allotted to the two departments, a separate office of planning and policy is considered necessary in the Department of Youth Services in view of the importance of the subject.

3.9 A common chief personnel office, chief finance office and public relations office should service both the departments, which would ensure adequate charge for each office.

3.10 The centrally executed activity in the field of education should be separated and entrusted to an administrative office to be known as the office of central educational programmes to deal with the executive functions relating to school, social, university and technical education, as also the award of scholarships.

3.11 There should be an administrative office for educational research, which could be dealt with through special arrangement, *viz.*, National Council of Educational Research and Training.

3.12 Evaluation should be handled as a distinct function by a separate office.

3.13 Since there is a large volume of publication work in this ministry and there are frequent enquiries from scholars and others with regard to published material in different fields of educational functioning, a separate office of information and publication is necessary. The work to be handled here may, on the face of it, seem to overlap the functions of public relations office. But, there is a difference between the two, the slant of the former being mainly academic.

3.14 A small but distinct administrative office is necessary for languages. This is because the subject has its own special problems and has little in common with the other work handled in the Ministry. The office need not be large and could, in fact, comprise the existing officers and staff.

3.15 For responsibilities in the field of cultural activities, a separate administrative office is proposed. The earlier report suggested that cultural affairs should be dealt with in this Ministry through special arrangements (such as, the Council for Cultural Affairs) which would ensure that the subject does not get swamped by education proper as also that the mode of handling is adjusted to needs in the field of cultural affairs. Although a separate administrative office of cultural activities has been suggested, it should not preclude special arrangements of the type mentioned above being developed in preference to the usual departmental patterns.

3.16 Small administrative offices are proposed for archaeology, museums, archives and libraries and copyright. Each subject has its own special problems and grouping any two or more of them together to form large viable administrative offices would be a wrong approach, attractive though it may be from the angle of simplification. Each of these small offices should be operationally independent in the same manner as any other administrative office and deal directly with the chief personnel and chief finance officers.

3.17 Besides the small administrative offices proposed, there could be three administrative offices in the Department of Youth Services to look after : (a) youth and community services; (b) National Cadet Corps and National Service Corps, and (c) physical education and sports.

The internal organisation of this department is very much dependent on the extent of importance given to this work by the government. The number of administrative offices for youth services would have to be adjusted according to the availability of funds for sizable programmes here.

3.18 In view of the diversity of functions of the two departments, there should be two separate policy advisory committees with appropriate arrangements for co-ordination between the work of the two.

#### *Skeleton reorganisation scheme*

3.19 There may be a secretary for the Department of Education and a secretary on the pay of present day additional secretary for the Department of Youth Services. The co-ordinating role should be that of the Secretary (Education.)

3.20 The administrative offices for staff, substantive and special work to be set up under the Secretary (Education) and those to be set up under the Secretary (Youth Services) are shown in the chart at page 69. A common staff office for personnel, finance and public relations, has been shown in the chart functionally outside both the departments, although for purpose of administration these offices will be under Secretary (Education).

3.21. As already explained, the chief personnel and the chief finance officers should be of the rank of joint secretary drawn from a pool of specialists in personnel administration and financial management respectively. And, the public relations officer may be an officer of the rank of under secretary trained and experienced in journalism.

3.22 The chief of the office of planning and policy should be an officer of rank equivalent to joint secretary. He may be an eminent educationist or a planner or a general administrator. Under him should be specialists in different fields like school education, social education, university education, technical education, etc. A joint educational adviser could be the chief of office of central educational programmes and he would look after the executive work in the bureau of general education, technical education and scholarships. The chief of the office of information and publication could be an officer of a deputy secretary's rank trained in journalism and publicity. The chief of the office of evaluation should be an officer of the status of joint secretary drawn from specialists. The chief of office of educational research should be the executive head of the National Council of Educational Research and Training, who, in addition to his work for the council, will look after the work now performed in NCERT Unit of the ministry.

3.23 The small administrative offices for cultural affairs, archaeology, archives, museums, may be headed by officers having specialised experience or technical officers of appropriate rank depending upon the extent of importance given to this work by the Government, and so should be the offices of youth and community services, the National Cadet Corps, and the National Service Corps and physical education and sports. The office of planning and policy (including sociological research) proposed for the Department of Youth Services, may be headed by a chief of the rank of joint secretary/joint educational adviser.

3.24 The policy advisory committee on the education side should include as members besides the secretary, the chief of office of planning and policy, the chief of office of evaluation, the chief of office of central educational programmes, the chief of office of educational research, the chief personnel officer, the chief finance officer and some of the important divisional heads from the office of planning and policy. The chief of the office of planning and policy in the Department of Youth Services, should also be a member of the committee.

When an item relating to languages is to be discussed in the committee, the chief of the office of languages could be asked to attend as a special member.

3.25 The policy advisory committee in the Department of Youth Services should consist of the secretary, the chiefs of the offices of planning and policy, youth and community services, physical education and sports and cultural activities, besides the chief personnel and chief finance officers. The Secretary (Education) or the chief of planning and policy in the Department of Education could also be a member of the policy committee.

When an item relating to archaeology, archives, museums, library and copyright is to be discussed in the committee, the chief of the concerned office could always be asked to attend as a special member.

## Ministry of Commerce

### *Basic facts*

4.1 The work of the Ministry of Commerce falls in the Central List. It is a mixture of type A and type B. The activities of the Ministry are classified as follows :

- (a) administration and general;
- (b) foreign commerce, which includes general commercial policy, foreign trade development and export promotion services; and
- (c) internal trade and essential supplies, which includes consumers' protection services, textiles, and handicrafts and plantation industries.

4.2 At the apex of the administrative hierarchy, there is a secretary and a special secretary. Bulk of the work relating to product development and a part of that of export promotion services is looked after by the special secretary; the rest constitutes the secretary's charge. To assist them, there are a number of joint secretaries and a few directors, with complement of deputy secretaries/joint directors and under secretaries deputy directors. There is preponderance of directors, joint directors and deputy directors in the export promotion services wing. There is also a whole-time internal financial adviser of the rank of director.

4.3 Work relating to trade policy, foreign trade and internal trade is handled directly in the secretariat, except a few subjects like control of futures trading and protective tariff for which there are statutory commissions. For the work relating to commodities, there are non-secretariat organisations also like the Textile Commissioner, Jute Commissioner, statutory boards/commission, corporations and councils. With respect to services, there are field organisations for import and export trade control, commercial intelligence, etc.; some of the services, viz., exhibition and commercial publicity, are handled by the secretariat itself.

4.4 An organisation chart of the ministry is at page 75 .

4.5 The earlier report suggests that, besides the existing work, this Ministry should deal with consumer protection (including consumer cooperatives), rubber, mica and leather products. It also recommends the setting up of two departments, viz., Department of Trade and Consumer Protection and Department of Export Industries.

### *Special features*

4.6 The existing pattern of distribution of subjects among the joint secretaries and deputy secretaries in the Ministry does not generally conform to the principle of rational grouping of similar or allied subjects, and they often deal with topics which have nothing in common. Out of a group of allied items, some are handled by one joint/deputy secretary, and others by another joint/deputy secretary. An attempt has been made to arrange allied and kindred activities into rational groups, which could be adapted by the Ministry itself to suit the exigencies of the actual conditions.

4.7 There is no central unit for planning and policy-making for the Ministry as a whole; at present these functions are performed by the respective units as the general commercial policy wing of the Ministry handles primarily the regional and international aspects of foreign trade. It would be advantageous to have a single office of planning and policy for the entire Ministry so as to derive full benefit out of the location of export-oriented industries in it.

4.8 Personnel and finance work is being handled in a dispersed manner. Chief personnel and chief finance offices are therefore necessary. Considering the existing workload, these offices should be common to both the departments. Likewise, there should be a common public relations office.

4.9 Foreign trade presents a host of problems, e.g., trade imbalances, obstacles in trade transit, banking difficulties, trade linkages, tariff and non-tariff barriers, unfair commercial practices, trade monopoly by centrally controlled organisations, 'switch trade', control over export of sensitive items, inadequate shipping facilities, discriminatory freight rates, fulfilment of import and export obligations in the case of trade with rupee payment areas, etc.

All these require expert handling which may be done in an office of international trade. This office should have a planning and policy unit which would 'look forward' and anticipate future developments so as to take appropriate action in advance, in addition to territorial units for handling trade with different regions.

4.10 Specialisation would also be necessary in various other trade aspects : assessment of current and potential demand for Indian goods, marketing techniques and marketing channels; commodity studies, pattern of demand in foreign countries, new items which could be included in the export spectrum; export promotion techniques direct and indirect incentives to exporters; export services like dissemination of commercial information to Indian traders and foreign buyers, propaganda through exhibitions and rotational displays, adequate transport facilities, quality control and pre-shipment inspection, and settlement of commercial disputes.

As these are allied topics, it is suggested that they may all be handled in an office of export promotion and services which should have separate units to foster and encourage specialisation in various commodities, region-wise, and export techniques.

4.11 Work relating to consumer cooperatives and supply of essential commodities of standard quality at fair prices to the public may be looked after by an office of consumer protection.

4.12 In the field of internal trade, the Ministry's functions relate to : introduction of metric system in weights and measures (for which enforcement machinery has been set up in states and the central government has only a limited role of providing guidance, effecting coordination, and making evaluation), control of futures trading, matters arising out of commercial laws, propagation of fair trade practices, imposition of protective tariffs, quality control and price regulation.

Quality control at the production stage is not receiving the attention it should; price regulation also is a matter of vital importance. These will involve liaison with enforcement agencies under different ministries and with states. While the office of consumer protection will look after the quality and prices of certain essential items of mass consumption and the office of export promotion will keep a watch from the export angle, there is need for central units to maintain unified control over the quality and prices of all commodities figuring in trade. Such units may be set up in the office of internal trade,

4.13 A few public enterprises (like STC, MMTC, ECGC) are under the administrative control of this Ministry; the arrangements for handling government level tasks relating to them are conventional and, therefore, do not match the requirements. As indicated in the outline scheme, there should be a separate administrative office in the Department of Trade and Consumer Protection for looking after their working.

The Ministry has lately decided to take over 'sick' units in the textile industry and manage them through a public sector corporation. This corporation will have by and large the same relationship with the Ministry as other public undertakings within its purview. On its formation, it may also be looked after by the office of public enterprises, which could then be located organisationally outside both the departments and have the same relationship with them as the staff offices.

4.14 The Ministry looks after the work of a number of statutory bodies like the Tea Board, Coffee Board, Khadi and Village Industries Commission, etc., which are entrusted with promotional work. Their position is analogous to that of public enterprises except that there is the promotional rather than the production aspect involved.

For efficient performance of their functions, near-complete autonomy needs to be conferred on them. Till this is done, Government will continue to carry certain responsibilities under the relevant Acts and rules. Even after adequate powers have been delegated to them, the Ministry would have to exercise key-point control, offer guidance and evaluate their performance and problems in the same manner as in the case of public enterprises. For this purpose, a separate office of boards is proposed.

4.15 In accordance with the scheme outlined in chapter III, the headquarters of the present non-secretariat organisations, viz., Chief Controller of Imports and Exports, Delhi, Director General Commercial Intelligence and Statistics, Calcutta, Textile Commissioner, Bombay, and Jute Commissioner, Calcutta, would be integrated with the Ministry to form separate administrative offices.

#### *Skeleton reorganisation scheme*

4.16 Considering the dimensions of activities visualised for the two departments, there should be a secretary as head of the Department of Trade and Consumer Protection and a secretary on the pay of present day additional secretary as the head of the Department of Export Industries; the coordinating role will be discharged by the former, who may continue to be known as Secretary (Commerce).

4.17 The administrative offices for staff and other work to be set up in the Ministry, together with the grouping of subjects, are shown in the chart at page 77.

4.18 For the same reason as justifies a single planning and policy office, there should be a common policy advisory committee for the Ministry presided over by Secretary (Commerce).

4.19 The chief of the office of planning and policy should be of joint secretary's status. He should be an expert in administrative and economic analysis and well versed in trade matters; he may be assisted by a few officers of intermediate level having similar qualifications.

4.20 The chief personnel and chief finance officers should be of the rank of joint secretary, drawn from pools of specialists in personnel and financial managements respectively. There is at present a protocol officer of director's status; he makes arrangements for reception of foreign dignitaries coming to India for trade talks. He may also look after public relations work assisted by a deputy. The public relations officer in the CGI&E should functionally be under the Ministry's protocol-cum-public relations officer.

4.21 The office of enterprises may be headed by an officer of joint secretary or director's rank assisted by a few officers of intermediate status. They should have experience in senior management positions and should be experts in subjects like management accounting and industrial engineering. A joint secretary could head the office of boards; he should be assisted by officers well conversant with the production, marketing, economic, and export aspects of the concerned industries.

4.22 The office of international trade should be under a senior chief of rank equivalent to additional secretary, while the offices of internal trade and consumer protection should be headed by joint secretaries.

4.23 The office of export promotion and services could be headed by a joint secretary or an officer of rank equivalent to additional secretary, depending upon the suitability of the person available. The exhibition and publicity units in this office should be looked after by a director with a complement of officers having practical experience of organising fairs/exhibitions and directing publicity through different media. Other services units. (viz. transport, export assistance) may be similarly manned by specialists in the line or experienced generalists of the rank of joint director.

4.24 The policy advisory committee should have as its members the secretary in charge of Department of Export Industries, the chiefs of planning and policy, finance and personnel offices, the chiefs of offices of international trade, export promotion, internal trade and consumer protection. Other chiefs of offices, or heads of boards, corporations etc. may be co-opted as special members when items concerning them have to be discussed.



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## Ministry of Steel, Mines and Metals

### *Basic facts*

5.1 This Ministry has two separate departments, *viz.*, the Department of Iron and Steel and the Department of Mines and Metals; each is headed by a secretary who is assisted by a complement of secretariat officers.

5.2 This Ministry deals with subjects falling in the Central List and handles a mixture of type A and type B work.

5.3 The earlier report suggested the transfer of two subjects currently handled in this Ministry, *viz.* steel structurals and the Geological Survey of India. Accordingly, these two items have not been covered in this report.

5.4 The Department of Iron and Steel handles work relating to : development of iron & steel industry, prices and distribution of indigenous steel, import-export policy and licensing in relation to steel items, public enterprises in production, and projects for new public enterprises or expansion of old ones. Bulk of this work is done at New Delhi, some of it being handled by the iron and steel control organisation at Calcutta. A study team headed by Shri R. K. Khadilkar, M.P., recently examined the work of the latter. It recommended, among other things, that a technical wing should be created in the Ministry at New Delhi with a branch at Calcutta, so as to give technical support to the work handled at the headquarters as well as by the iron and steel controller, who should be called the steel commissioner to emphasise his development role rather than that of a controller. The recommendation is still being considered by the Ministry.

5.5 The Department of Mines and Metals is responsible for work relating to : coal, minerals, non-ferrous metals, public enterprises under production and projects for new enterprises or expansion of old ones. Coal items are handled partly in the secretariat at New Delhi and partly by the coal controller at Calcutta with the Coal Board (a statutory body) sharing out some functions. Other minerals are looked after by the Indian Bureau of Mines at Nagpur.

5.6 In the Department of Mines and Metals, there is a coal mining adviser, a specialist, who functions through one of the joint secretaries.

An organisation chart of the Ministry is at page 83 .

### *Special features*

5.7 This is just the kind of ministry where technological and scientific inputs into policy making need to be organisationally fitted in. For instance, the Department of Iron and Steel will have to handle work relating to integrated steel plants and overall tasks, such as formulation of import-export policy in regard to steel items, maintaining co-ordination with the other ministries (particularly engineering industries), promoting standardisation, etc. The creation of a technical wing at New Delhi, as suggested by the Khadilkar study team, would make for improved handling of work; but, the point for consideration is whether it would be advantageous to merge this wing with the unit for planning and policy suggested in the outline scheme. On the one hand, scrutiny of individual applications for industrial licences, capital goods import licences, and so on, might detract from planning and policy issues; on the other, policy in the field of industrial development is often related to and arises out of individual cases, and a combined arrangement would enable scarce technical personnel to be economically employed. The balance of advantage would seem to lie in having a composite office of planning, policy and technical advice in this Department.

5·8 Recently, the Department of Mines and Metals has removed control over the prices and distribution of all grades of coal, except over distribution of coking coal required by the metallurgical industries. The latter function would be discharged by the coal controller after taking into consideration the views of the 'coking coal producers and consumers committee'; this committee is headed by the chairman, Coal Board, and consists of the representatives of the coal and steel industries. The coal controller, who is also chairman of the Board, has also been instructed not to implement those provisions of the Colliery Control Order, which have become redundant on de-control. A review of that order as well as of the Coal Mines (Conservation and Safety) Act, under which the Board has been set up, is being undertaken by the Ministry. Thus the functions of the coal controller will be significantly reduced and will relate only to the development of coal mines and distribution of coking coal required by metallurgists.

It seems unnecessary to have two organisations for dealing with coal, both located at the same place, viz. Calcutta. It is, therefore, suggested that the residual functions of the coal controller may be transferred to the Coal Board. References from the Board to the Department may be attended to by a unit in its planning and policy office.

5·9 This Ministry has a number of public enterprises under its administrative control. For handling the government level tasks relating to them, separate office will be needed in each department.

5·10 In view of the immensity of problems and tasks likely to arise during the construction of the Bokaro Steel Plant, a separate office of projects will be necessary in the Department of Iron and Steel.

Since project work in the other department would mainly relate to progressing, it would be looked after by its office of planning and policy.

5·11 Though there is something in common between the work of the two departments, particularly as between steel and coal, it is not enough to justify constituting a single policy advisory committee for the whole Ministry. Accordingly, each department may have a separate committee with appropriate members drawn from the other to ensure co-ordination.

Besides the chiefs of planning and policy offices, one or two of their deputies could participate in the deliberations of the committees when issues relating to the subject allotted to them are discussed. Chiefs of ex-Delhi offices could be similarly associated.

5·12 This is a ministry where the need for inducting scientific approach in its work is pronounced. It is, therefore, suggested that it should have a scientific adviser.

5·13 There is an administrative tribunal in the Department of Mines and Metals which hears appeals against the decisions taken under the mining laws. Organisationally, this should be situated outside all administrative offices, and have a direct link with the Minister rather than the secretary.

#### *Skeleton reorganisation scheme*

5·14 The nature and range of work and responsibilities of the Ministry justify a full-fledged secretary for each department; either of them could be assigned the co-ordinating role by the Minister.

5·15 The proposed organisation of the Ministry, as visualised above, is indicated in the chart at page 85.

5.16 The technical unit of the office of planning, policy and technical advice in the Department of Iron and Steel will look after the integrated sector which comprises the steel plants of Hindustan Steel Ltd. (Bhilai, Durgapur and Rourkela), TISCO and IISCO; the steel commissioner at Calcutta will be in charge of the non-integrated steel units.

5.17 On the mines and metals side, the office of planning and policy will have to deal with only overall problems relating to coal and minerals and all problems in the field of metals. The Indian Bureau of Mines, Nagpur, on being raised to the status of administrative office of mines, will also attend to regulatory and legislative work in the field of minerals (other than coal), the second check of any draft legislation proposed by it being exercised by the policy advisory committee.

5.18 A single set of chief personnel office, chief finance office, and public relations office could service both the departments.

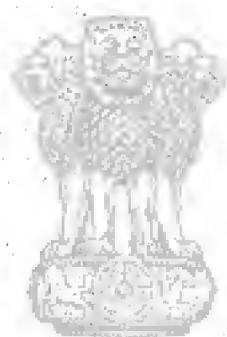
5.19 The chiefs of the planning and policy offices should be officers having administrative experience and intimate knowledge of economic problems of the items they have to deal with. The units for handling technical matters and statistics relating to steel, coal, minerals and metals should be headed by technicians and statisticians respectively.

5.20 Offices of public enterprises should be manned by experts in management accounting and industrial engineering. If a man with outstanding managerial experience is available, he could head both the offices.

5.21 Some officers of the technical unit in the Department of Iron and Steel could assist the office of projects also, if there is dearth of competent technical personnel.

5.22 The policy advisory committee in the Department of Iron and Steel may have as its standing members: secretary, scientific adviser, chief of the office of planning, policy and technical advice, chief of the office of planning and policy of the Department of Mines and Metals, chief personnel officer and chief finance officer. The steel commissioner, chiefs of the offices of public enterprises and projects, and one or two deputies to the planning office chief could participate in its deliberations when issues relating to the subjects allotted to them are discussed. The heads of Hindustan Steel Ltd., Hindustan Steel Construction Works Ltd., and Bokaro Steel Ltd., could also be invited.

5.23 The policy advisory committee in the Department of Mines and Metals may have as its standing members: secretary, scientific adviser, chief of the office of planning and policy, chief of the planning office of the Department of Iron and Steel, chief personnel officer, and chief finance officer. The chiefs of the office of public enterprises and office of mines, and one or two deputies to the planning office chief could be associated when topics relating to them are discussed. The heads of the National Minerals Development Corporation and National Coal Development Corporation could be invited as necessary.



सत्यमेव जयते

## SPECIAL ANNEXURE B

(Para 4.25)

### Skeleton reorganisation scheme for a few selected wings— study reports

Sections		Page
I	Introductory . . . . .	89
II	International trade wing—Ministry of Commerce .	90
III	Medical and Public Health Sector —Administrative Office of the Directorate General Health Services.	104
IV	Internal finance wing—Department of Economic Affairs	118
V	Animal Husbandry Division—Department of Agriculture	130





सत्यमेव जयते

## SPECIAL ANNEXURE B

(Para 4.25)

### Skeleton reorganisation scheme for a few selected wings—study reports

#### I

##### Introductory

1.1 As envisaged in chapter IV, skeleton re-organisation exercises were carried out in selected wings of a few ministries to test the feasibility of introducing the scheme outlined in para 4.24 of the report. Four ministries were chosen for the purpose, *viz.*, the ministries of Commerce, Health and Family Planning, Finance (Department of Economic Affairs) and Food and Agriculture (Department of Agriculture).

1.2 In respect of the ministries of Commerce and Health and Family Planning, skeleton schemes for their overall reorganisation on the lines indicated in chapter III were prepared earlier (see special annexure A); these were kept in view. This helped to ensure that the results of the two exercises, which were carried out independently of each other, are not inconsistent. The proposed plans for reorganisation of the selected wings given in this annexure are complementary to those for overall reorganisation of the respective ministries.

In respect of the other two, *viz.*, the Department of Economic Affairs and the Department of Agriculture, although skeleton schemes for overall reorganisation on the basis of chapter III have not been attempted, the reorganisation suggested for a selected wing in each of the two Departments could be fitted into such schemes when evolved.

1.3 The wing of the Ministry of Commerce selected for reorganisation represents a type A situation (see para 3.8 of the report). The selected wings of the Department of Economic Affairs and the Department of Agriculture represent a mixture of type A and type B situations, the former handling a Central List item and the latter a State List item. These three wings are secretariat organisations.

In the case of the Ministry of Health and Family Planning, which handles mainly type B work relating to a State List item, the choice made was that of the headquarters of an attached office, *i.e.*, a non-secretariat organisation. A reorganisation scheme of a sector in the administrative office of the Directorate General of Health Services as contemplated in special annexure A, has been attempted.

1.4 These exercises show that, while reorganising wings in accordance with the concepts stated in chapter IV, it may be found necessary to make minor departure from the outline scheme. Some of the variations found necessary are indicated below

- (i) The outline scheme visualises for a typical wing two to four divisions for handling substantive work and a planning and policy cell. In the case of the selected wing of the Department of Agriculture, it was found necessary and feasible to have as many as six divisions and one cell for that Work. This shows the extent of flexibility required with respect to the size of a wing.
- (ii) While the scheme envisages only a cell for planning and policy work, the nature and volume of this work in the case of selected wings of the Ministry of Commerce, Department of Economic Affairs and Department of Agriculture were found to be such as to justify a division for handling it.

It was also considered advisable in these three cases to carve out a small cell within the planning and policy division for systematically compiling and collating data.

- (iii) The scheme, which is primarily developed to match the requirements of type A situation, provides for handling of office management and registry functions by an aide to the wing chief. In the case of mixture of type A and type B situations like those of the Department of Economic Affairs and Department of Agriculture, the subordinate offices throw considerable personnel and financial work on the headquarters of the respective departments; for managing this, a separate personnel and finance cell is required there. In these cases the Wing chiefs need not have aides to assist them.
- (iv) To enable the wing chief to have time to think, plan and organise and not get weighed down with excessive work, the scheme provides for an aide to him. Where an aide is not found necessary, as in the case of the selected wing of Department of Economic Affairs, the director of planning and policy division having regard to the overall nature and responsibilities of the work of the wing, has been nominated 'number two' as visualised in para 3.40.
- (v) The concept of size of a wing in the case of non-secretariat technical or specialised organisation like the Directorate General of Health Services is different as compared to that in the secretariat. In the former, it was found necessary to divide the wing into a few sectors and one such sector was then reorganised in accordance with the outline scheme. The pay scales of sector chief, divisional heads and technical officers in this case do not correspond to those visualised in the scheme.

1.5 The four study reports, which follow, are intended to elaborate the ideas contained in the outline scheme and indicate how it may be adapted when applied to specific cases. These reports do not purport to be detailed plans for the proposed wings.

## II

### International trade wing - Ministry of Commerce

#### *Basic facts*

2.1 The work of the Ministry of Commerce has recently been divided into the following components called 'divisions' :

- (i) foreign commerce,
- (ii) internal trade and essential supplies, and
- (iii) administration and general.

2.2 The foreign commerce 'division' comprises the general commercial policy 'wing', the foreign trade development 'wing', and the export promotion services 'wing'.

The foreign trade development 'wing' has two 'branches' for dealing with trade development and product development.

2.3 This study covers the work relating to foreign trade policy dealt with in the general commercial policy 'wing', and territorial trade dealt with in the trade development 'branch' of the foreign trade development 'wing'.

2.4 The general commercial policy 'wing' deals mainly with basic trade issues connected with tariffs, customs and other non-tariff barriers imposed by foreign countries, regional groupings like European Common Market, Kennedy Round of negotiations, and international agreements like the General Agreement on Tariffs and Trade. It is concerned with problems of the developing countries *vis-a-vis* the developed countries, *viz.*, trade imbalances, obstacles in trade transit, access for primary exports, modification of protectionist policies, elimination of fluctuations in export prices, diversification and expansion of export trade in manufactures and semi-manufactures, modifications in the existing international monetary framework, etc., which are discussed in the United Nations Conference on Trade and Development.

2.4.1 This 'wing' at present consists of GATT, UNCTAD, tariff, and import and export trade control and foreign trade (co-ordination) sections and ECAFE cell. (The first two sections constituted the erstwhile trade policy division of the Ministry).

2.5 The trade development 'branch' of the foreign trade development 'wing' is concerned with the conduct of territorial trade through bilateral and regional arrangements or otherwise, negotiations of trade agreements, and the operational problems arising during their implementation such as fulfilment of export-import obligations, control over export of sensitive items, diversion of Indian goods to free currency areas etc.

It also deals with work relating to two public sector enterprises, viz., State Trading Corporation and Minerals and Metals Trading Corporation and that of Indian participation in joint industrial ventures abroad.

Besides, it examines establishment proposal referred to the Ministry by the directorate general of commercial intelligence and statistics at Calcutta.

The Board of Trade, an advisory body presided over by the Commerce Minister is serviced by it.

2.5.1 This 'branch' at present has separate sections for handling trade with East Asia, South Asia, Africa, West Asia and North Africa, America, West Europe, and East European and communist countries respectively. (Till recently, these territorial sections along with ECAFE cell constituted the foreign trade division of the Ministry). State trading and barter deals section, the so-called planning and policy section (formerly known as Board of Trade section) and overseas investment cell are also in the 'branch'.

2.6 A chart showing the existing organisational set up is at page 97.

2.7 The existing method of working in the section is briefly described below.

2.7.1 In the GATT and UNCTAD sections, officers are allocated specific problems or issues relating to the subjects assigned to them. The dealing officer, who may be of the level of section officer or above, instructs the investigator or assistant under him to collect relevant basic data from various sources. After this has been done and previous papers linked, the dealing officer prepares a paper which is vetted by senior officers. The paper in its final shape is submitted to the secretary for advice or orders, or referred to other economic ministries for consultation where necessary. Thus while noting is avoided, the paper is processed through all the functional levels.

2.7.2 In the foreign trade (communist countries) section, a modified form of 'desk officer' system described in chapter IV (para 4.14), is in operation. Specific items of work are allocated to officers who deal directly with the joint secretary (except in one case). The assistants are engaged on collection of data and putting up draft replies to simple receipts as instructed by the desk officers. Notes are, however, written as usual.

2.7.3 In the other territorial trade sections, the method of working follows the usual pattern. The effective level of initial scrutiny is that of under secretary/deputy director. The staff below this level is engaged mainly on collection and compilation of data, and handling of simple or routine receipts. A substantial portion of the routine receipts, both from the point of view of information and action proposed, are seen by the under secretary/deputy director. Simple receipts are similarly seen by the deputy secretary/joint secretary.

2.8 Files are opened and maintained in the conventional manner, i.e., in accordance with the main subjects or themes settled at the beginning of the year. In the territorial units, however, the names of countries form the standard file headings, which therefore do not give any indication of the subjects or sub-subjects dealt with in the files. Thus there is lack of uniformity in allotting numbers to files relating to different countries though dealing with identical topics or issues.

### *Special features*

2.9 Neither the general commercial policy 'wing' nor the trade development 'branch' are handling allied or kindred items of work. Examples of irrational grouping of subjects are given below.

- (i) The bulk of the work in tariff section is connected with administration of the Tariff Commission (including preparation of its budget) and processing of its reports on the protection of domestic industries. The latter item is related more to internal trade than to foreign commerce.
- (ii) The import and export trade control unit deals with applications under the trade control orders and export promotion of certain commodities. This should appropriately be handled by the import-export trade control and export promotion wings respectively.
- (iii) The foreign trade coordination unit handles some administrative items also e.g., training programmes of I.F.S. probationers, 'Bharat darshan' tours of commercial representatives posted abroad, budget provision for covering expenditure on delegations visiting foreign countries, etc., these should be looked after in the personnel and finance wings.
- (iv) The overseas investment cell assists Indian entrepreneurs associating with foreigners for establishing industrial enterprises abroad, the share of the former being restricted to the value of indigenous machinery, tools, equipment, etc. exported from here. As this has primarily an export promotion aspect, the cell should form part of the export promotion wing.
- (v) The state trading and barter deals section is concerned with establishment and budgetary work relating to the State Trading Corporation and the Minerals and Metals Trading Corporation as well as their overall functioning. The latter aspect deserves more importance than has been accorded so far; hence this work should be attended to separately, preferably in a unit dealing with all public enterprises under the ministry.
- (vi) The planning and policy section is actually a misnomer since the section is not dealing with planning or policy work but is only a servicing unit for the Board of Trade. Besides making arrangements for the meetings of the Board and managing other related work, it looks after administration work flowing from the directorate general of commercial intelligence and statistics, Calcutta. It does not, therefore, qualify for inclusion in the trade development 'branch'. It may be included in the administration and general 'division' till a planning and policy wing is formed in the Ministry when the work of servicing the Board of Trade could be performed by a cell in it.

Further, work relating to enemy trading and enemy cargo is handled by a cell located in the consumers protection services 'wing' of the internal trade and essential supplies 'division' of the Ministry. There is no nexus between enemy trading and consumer protection; the former item should be transferred to the wing dealing with international trade.

2.10 It will be seen from the chart at page 97 that there is no homogeneity of charge or unity of command in the area covered, diverse and wholly unrelated items being allotted to officers at the level of deputy and joint secretary. An instance is that of the joint secretary in charge of trade with East Asia, South Asia and ECAFE region also supervising the establishment and house-keeping work of the Ministry.

2.11 The outline scheme of a typical wing visualises a cell to give specialised attention to overall problems of policy, planning and programming. However, for the proposed international trade wing, a stronger unit would seem justified on account of the dimensions and complexities of problems in the field of foreign trade. The policy issues referred to in paras 2.4 and 2.5 are of far-reaching importance and need to be handled in a special division with permanent arrangement for sectoral type of research and study that should furnish expert guidance.

The planning and policy division would 'look forward' and anticipate future developments likely to affect India's trade with any country whether in traditional or non-traditional commodities. It should also be in a position to advise on major operational issues which may come up in the course of territorial trade.

This division would handle the work at present being done by the GATT and UN CTAD sections, which are almost wholly engaged on preparations of papers in regard to strategic policy matters and international trade problems.

2.12 A pre-requisite for formulation of sound strategic policies and for effective handling of operational problems is adequate knowledge of economic and commercial conditions in foreign countries and their trade regulations. At present, there is no centralised unit in the Ministry where complete information of this kind could be found; each section is expected to collect and maintain the data it needs. A wealth of such data has to be systematically compiled, stored and kept up to date. For this purpose, a commercial intelligence and statistic cell is necessary. It may be located within the planning and policy division, though functionally it may be an extension of the directorate general of commercial intelligence and statistics at Calcutta.

The proposed cell will call out relevant information from journals published by that directorate, periodical reports sent by the licensing authorities, periodical reports sent by the commercial representatives posted abroad, reports on market surveys and commodity studies, etc. It will feed the planning and policy division and the territorial units with such basic intelligence as may be required by them, and initiate follow-up action on the study/survey reports.

2.13 India's foreign trade falls broadly in two territorial groups : (i) trade with the free currency areas comprising countries in Asia, Africa, West Europe and America; and (ii) trade with the rupee payment areas covering the East European and other communist countries.

The former is conducted essentially between private parties even though formal trade agreements subsist with several of those countries. It leads to the earning of free foreign exchange and involves intense competition from the manufacturers of developed countries.

The latter is conducted wholly on governmental basis as the countries concerned have state-controlled economies; its essential features are that it is fully planned, it is conducted on a balanced basis, and it is financed through central accounts maintained in rupees in India.

Each group presents a distinct set of operational problems and correspondence handling situations peculiar to itself, and so there should be separate substantive divisions for dealing with them.

2.14 A random sample study of three territorial sections showed that their work could be classified in terms of the nature of receipts as follows :

strategic policy	.	.	.	.	.	7.3%
problem solving	.	.	.	.	.	15.2%
correspondence handling	.	.	.	.	.	77.5%

About 40% of the total receipts are of routine/simple type falling in the correspondence handling category. Thus, about 60% of the work in these sections requires competent handling.

In the proposed set up, while strategic policy issues arising in the conduct of foreign trade would be processed through the planning and policy division, others would be handled in the territorial divisions themselves.

2.15 The Ministry is at present handling a special task arising out of the devaluation of the rupee in June 1966 which raised India's contractual obligations in pursuance of the agreements signed by India with the East European countries. The total financial implications are still being worked out in the foreign trade (communist countries) section.

This *ad hoc* work may be handled by a separate devaluation cell, which should be wound up when it is over after a short period.

2.16 Personnel and finance work relating to deputations abroad of officers and making budget provision for their expenditure is at present handled by the concerned trade policy and territorial sections; it may be centralised and looked after in the office management unit of the proposed wing.

#### *Skeleton reorganisation scheme*

2.17 The chief of the international trade wing should be an officer in C2 pay scale. He may be an experienced generalist or a specialist having thorough knowledge of foreign trade as well as of India's export potential.

2.18 After excluding extraneous work but including the item which is related to foreign trade, as explained in para 2.9 above, this wing should consist of the following :

- (i) planning and policy division, including commercial intelligence and statistics cell;
- (ii) foreign trade I division;
- (iii) foreign trade II division;
- (iv) devaluation cell;
- (v) office management unit;
- (vi) registry.

2.19 The planning and policy division should deal with all general international trade policy problems. It should also process strategic policy issues relating to territorial trade. Considering the nature and magnitude of the work, the head of this division (D3) may have to be assisted by a deputy director. It may have eleven executives (E5, E4, E3); of these, one E3 executive may be in charge of the commercial intelligence and statistics cell.

The cell itself may consist of ten junior executives allocated as follows:

three E2 and three E1 executives for the officers in planning and policy division; one E2 and one E1 executive for those in foreign trade I division; and one E2 and one E1 executive for those in foreign trade II division.

2.20 Foreign trade I division will handle trade with all countries excluding those in East Europe and other communist countries, as also matters relating to enemy trading and enemy cargo. It may have a director (D3) and ten executives in all, the distribution of work among the latter being as follows:

three groups, each having an E4, E3 and E1 executive, to share work relating to trade with countries in (i) East Asia and South Asia, (ii) West Asia and Africa, (iii) America and West Europe, respectively; the junior executives handling comparatively simple matters;

One E4 executive to handle important aspects of the work relating to enemy trading and enemy property after it has been processed in the office of the custodian of enemy property.

2.21 Foreign trade II division will handle trade with the East European and other communist countries. It may have a director (D3) and three executives, the allocation of countries among the latter being as follows:

- one E5 executive to be the desk officer for USSR, GDR and Yugoslavia;
- one E4 executive to be the desk officer for Czechoslovakia, Hungary and Poland;
- one E3 executive to be the desk officer for Bulgaria, Rumania and other communist countries.

2.22 The devaluation cell may be placed in the charge of an E4 executive, who may be assisted by an E1 executive.

2.23 The wing chief may have an aide (E4 executive). The latter may have charge of an office management unit having one executive (E1) and a wing registry having three executives (E3, E1) as well as clerical staff.

2.24 An organisation chart of the proposed wing is at page 99.

2.25 The executives at different levels will be required to deal with the following number of receipts in the various divisions/cells:

(i) Planning and policy division (excluding commercial intelligence and statistics cell).	3·8
(ii) Commercial intelligence and statistics cell . . . . .	4·6
(iii) Foreign trade I division . . . . .	10·3
(iv) Foreign trade II division (including devaluation cell) . . . . .	7·9

2.26 Though the number of receipts to be handled by each executive in the wing is less compared to that visualised in the outline scheme, this would seem justified in view of the complexity of foreign trade work.

Further, it would be desirable to have a larger proportion of officers at intermediate and senior management levels than are employed at present in the trade policy and territorial sections.

2.27 The strength of staff engaged at present on international trade work and that proposed in the revised set up are indicated in statements at pages 101 and 102. The personnel and financial implications of reorganisation are worked out in another statement at page 103; it is likely to yield a saving of Rs. 1·15 lakhs (14%).

2.28 As foreign trade is a specialised activity, its management requires expert knowledge of the basic principles and mechanism of, and trends in, international trade and commerce, as also of the developments in Indian economy in relation to export needs and capacities. The three substantive divisions should, therefore, be staffed by officers possessing such knowledge and having experience or training in the techniques of foreign trade. Members of the Indian Trade Service, Indian Economic Service, Indian Statistical Service, as well as other services could man them after undergoing the necessary orientation course. It will be mutually advantageous to the ministries of Commerce and External Affairs if there is reciprocal exchange of officers handling foreign trade matters.

The devaluation cell should have officers who are familiar with accounts work while the office management unit and registry should have generalist personnel.

2.29 The constituent units of the proposed international trade wing are at present accommodated in different floors of the office building; these may be located compactly.



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Statement showing existing strength of officers and staff dealing with international trade in the Ministry of Commerce  
(Para 2-27 of Special annure B)

Sl. No.	Designation	GATT	UNC TAD	ECA FE	Tariffs *	FT Coordination*	Total (3 to 7)	East Asia	South Asia	Africa	West Asia & N. Africa	America	West Europe	Enemy property	Total (9 to 15)	East Europe (8+16+17)	Grand Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1.	Jt. Secretary	0.33	0.34	0.17	..	0.12	0.96	0.17	0.16	0.20	0.20	0.20	0.33	..	1.26	0.76	2.98
2.	Director	1.00	..	..	..	..	1.00	..	..	..	..	..	..	0.20	0.20	..	1.20
3.	Dy. Secretary	..	0.50	..	..	..	0.50	0.20	0.20	0.20	..	..	0.50	0.25	1.35	1.50	3.35
4.	Jt. Director	..	1.00	..	..	..	1.00	..	..	..	..	..	..	..	..	1.00	2.00
5.	U.S./O.S.D.	1.00	1.00	0.34	..	..	2.34	0.33	0.33	..	0.33	..	1.00	0.33	2.32	..	4.66
6.	Dy. Director	..	..	..	..	0.17	0.17	..	..	..	..	0.50	..	..	0.50	..	0.67
7.	G.R.O.	..	1.00	..	..	..	1.00	..	..	..	..	..	..	..	..	..	1.00
8.	Asstt. Dir.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2.00	2.00
9.	S.O.	1.00	1.00	1.00	..	0.30	3.50	1.00	1.00	1.00	1.00	1.00	1.00	..	6.00	1.00	10.50
10.	Research Officer	2.00	..	..	..	..	2.00	..	..	..	..	..	..	..	..	..	2.00
11.	Senior Investigator	2.00	2.00	..	..	..	4.00	..	..	..	..	..	..	..	..	..	..
12.	Assistant	1.00	..	1.00	0.50	1.00	3.50	..	3.00	2.00	3.00	1.00	2.00	2.00	13.00	2.00	18.50
13.	Jr. Inv. / F.A.	..	1.00	..	..	1.00	2.00	3.00	..	1.00	1.00	1.00	..	..	6.00	1.00	9.00
14.	UDCs	..	1.00	..	..	..	1.00	..	1.00	..	..	..	1.00	..	2.00	1.00	4.00
15.	LDCs	2.00	1.00	1.00	0.50	1.00	5.50	2.00	2.00	2.00	2.00	2.00	2.00	1.00	13.00	2.00	20.50
16.	Stenographer	..	..	..	..	..	3.44	..	..	..	..	..	..	..	2.81	3.26	9.51
17.	Stenotypist	..	..	..	..	..	2.47	..	..	..	..	..	..	..	2.08	1.76	6.3

\*Remaining staff in these sections has been excluded as it is engaged on other work.

# Statement showing proposed strength of officers and staff of the International trade wing (Para 2.2 of special annure B.)

Wing Chief (C2: Rs. 3,000)  
Aide (E4: Rs. 700—1,250)

Sl. No.	Designation with pay scale	Planning and policy division	Foreign trade I division	Foreign trade II division	Devaluation cell	Office Management unit	Registry	Total
1	2	3	4	5	6	7	8	9
1.	Director (D 3 : 2000—2250)	1	1	1	..	..	..	3
2.	Dy. Director (D 2: 1800—2000)	1	..	..	..	..	..	1
3.	Executive (E5 : 1100—1400)	2	..	1	..	..	..	3
4.	Executive (E4 : 700—1250)	4	4	1	1	..	..	10
5.	Executive (E3 : 350—900)	4+1*	3	1	..	..	1	10
<i>Intelligence &amp; Statistics cell</i>								
P.P. F.I.I. F.I.II								
6.	Executive (E2 : 325—575)	3	1	..	..	..	..	5
7.	Executive (E1 : 210—530)	3	1	3	1	1	2	12
8.	Stenographer	4	1	2	..	..	2**	9
9.	Stenotypist	7	6	2	1	..	1†	17
10.	Udc	..	..	..	..	..	3	3
11.	Ldc	..	..	..	..	..	8	8

\*In charge of Intelligence & Statistics cell.

\*\*for wing chief.

†for aide.

**Statement showing strength and cost of existing and proposed officers and staff for the International trade wing**

(Para 2.27 of special annexure B)

Sl. No.	Designation	Pay scale	Existing No.	Proposed No. according to	
				Chapter III reforms	Chapter IV reforms
1	2	3	4	5	6
1	Additional secretary/ Wing chief (C2) .	Rs. 3000	..	1	1
2	Joint secretary .	Rs. 2500—2750	2.98	..	..
3	Director (D3) .	Rs. 2000—2250	..	..	3
4	Director/deputy director (D2) .	Rs. 1800—2000	1.20	4	1
5	Deputy secretary .	Rs. 1100—1800	3.35	..	..
6	Joint director/executive (E5) .	Rs. 1100—1400	2.00	2	3
7	Under secretary/ O.S.D.	Rs. 900—1250	4.66	4	..
8	Deputy director/chief research officer/ executive (E4)/aide .	Rs. 700—1250	1.67	2	11
9	Assistant director .	Rs. 400—950	2.00	2	..
10	Section officer/ research officer/executive (E3)	Rs. 350—900	12.50	12	10
11	Senior investigator/ex- ecutive (E2) .	Rs. 325—575	4.00	4	5
12	Assistant/executive (E1)	Rs. 210—530	18.50	18	12
13	Stenographer .	Rs. 210—530	9.51	8	9
14	Junior investigator .	Rs. 210—425	9.00	9	..
15	Udc .	Rs. 130—280	4.00	4	3
16	Steno-typist .	Rs. 110—180 + Rs. 20SP	6.31	6	17
17	Ldc .	Rs. 110—180	20.50	20	8
<b>TOTAL</b>			<b>102.18</b>	<b>96</b>	<b>83</b>

**I. Reduction in terms of personnel according to**

(i) chapter III reforms : 102.18 - 96 = 6.18

or 6.

(ii) chapter IV reforms : 102.18 - 83 = 19.18

or 18.6%

**II. (a) Cost of existing officers and staff-Rs. 8.24 lakhs.**

(b) Cost of officers and staff after reorganisation according to

(i) chapter III reforms : Rs. 7.23 lakhs.

Savings : Rs. 1.01 lakhs.

or 12%

(ii) chapter IV reforms : Rs. 7.09 lakhs.

Savings : Rs. 1.15 lakhs.

or 14%

## III

**Medical and Public Health Sector***Administrative Office of the Directorate General Health Services**Basic facts*

3.1 The Director General, Health Services is the principal adviser to the Department of Health with respect to the following: establishment and expansion of medical colleges, medical education, medical training and research; and other matters, such as: water supply and sanitation (through public health engineering divisions), control of communicable diseases (through National malaria eradication programme, leprosy control organisation, etc.); medical care (through Central Government Health scheme) and certain services (through administration of public health training institutes, food laboratories, medical stores, port health organisation, etc.). The directorate general health services thus controls a number of hospitals, institutes, laboratories, dispensaries and field offices.

3.2 The directorate general, a 'participating' attached office of the Ministry of Health and Family Planning, has the following divisions :

- (i) Medical and professional education
- (ii) Public health
- (iii) Health administration
- (iv) Medical care and hospitals
- (v) Cholera
- (vi) Small-pox
- (vii) Central Government health scheme
- (viii) Drugs
- (ix) Public health engineering
- (x) Establishment.

3.3 Each technical division is headed by a deputy director general or additional deputy director general on the pay scale of Rs. 1800-2250 plus Rs. 600 as non-practising allowance, except the public health engineering and the drugs divisions, which are respectively headed by an additional director general on the pay scale of Rs. 2250 and by a drugs controller on the pay scale of Rs. 1600-2000. The establishment division is headed by a director (administration) in the pay scale of Rs. 1100-1800.

3.4 The reorganisation scheme proposed here is for a sector of the administrative office of DGHS as visualised in chapter III and not that of the DGHS as it is today. In para 2.8 of the study report on the skeleton reorganisation scheme of the Ministry of Health and Family Planning (see special annexure A), it is stated that the administrative office of the DGHS in the reorganised set-up proposed in chapter III should deal with central executive functions only. The work handled by it relating to planning and policy, including the bureau of planning, the central bureau of health intelligence and statistics and the public health engineering division would be transferred to the proposed administrative office of planning, policy and technical advice. And, for evaluation of the various programmes in the states, there would be a separate administrative office. There would also be a separate administrative office for medical research and medical education. The work relating to plans and policy of school health now handled in the CHEB will have to be transferred to the office of planning, policy and technical advice; the work relating to research and training to the office of medical research and education; the work relating to evaluation to the office of evaluation; and the remaining work regarding publicity and publications to the office of P.R.O.

3.5 It is visualised in chapter III that non-staff administrative offices having field offices should have their own personnel and finance units. Since the office of the DGHS has a number of field offices under its control, a separate personnel and finance office will be necessary here. If, therefore, these recommendations relating to chapter III are implemented, there could be two sectors in the administrative office of the DGHS dealing with technical work relating to the hospitals, institutes, laboratories, CGHS, etc. and one sector each for personnel and financial management.

3.6 As stated in chapter IV, although the conclusions and recommendations made therein relate primarily to a typical secretariat wing handling type A work, these could, with suitable adaptations, apply to the headquarters offices of non-secretariat organisations as also to the administrative offices visualised in chapter III. The headquarters office of the DGHS is at present a non-secretariat organisation. It will have the status of an administrative office in the reorganisation scheme visualised for the Ministry of Health and Family Planning. What modifications would be necessary to the general scheme suggested in chapter IV, if a non-secretariat organisation like the office of the DGHS is reorganised, are brought out in this study.

3.7 The skeleton reorganisation exercise relating to the Ministry of Health and Family Planning (see special annexure A) to test the general scheme suggested in chapter III, aimed at formation of administrative offices based on a rational regrouping of subjects. Another important basis of reform, suggested in chapter IV, is homogeneity in charge and unity of command in a wing. The formation of divisions in the office of the DGHS, has been suggested in the succeeding paras accordingly keeping in view these basic ideas or principles.

3.8 This study relates to the medical health sector of the technical, executive functions of the directorate general as an administrative office under the proposed chapter III reform (see annexure A).

The existing number of officers, the dealing officials and the ancillary staff dealing with work relating to this sector are shown in the statement at page 117

3.9 A chart showing the existing structures of these divisions is at page 111.

#### *Special features*

3.10 Unlike the chief of a wing dealing with type A work who will have a maximum number of four divisions, the chief here i.e. the Director General, Health Services will have under him 4 sectors or 10 or 12 divisions, somewhat as follows :

- (1) *Medical and public health sector.*
  - (a) Medical division.
  - (b) Public health division
  - (c) Drugs control division
  - (d) Architecture division.
- (2) *CGHS sector covering 2 divisions.*
- (3) *Personnel sector consisting of 2-3 divisions.*
- (4) *Finance sector consisting of 2-3 divisions.*

3.11 It was observed in para 4.10 of chapter IV that the secretariat wing is manned by "generalists". In a non-secretariat organisation like the DGHS, the technical divisions are understandably manned by specialists. There are 30 officers from the central health service assisted by 20 technical staff, and 88 dealing officials who belong to the generalist class. The architecture division consists of 13 architects assisted by 37 technical staff.

3.12 In the present set up, one of the main items of work handled by the technical officers relates to personnel and financial management of the hospitals, institutes and laboratories under the control of the DGHS. Studies show that 44.8 per cent of the work relates either to personnel or financial management. This could be one of the reasons why generalist assistance at lower levels was considered necessary in technical divisions.

3.13 While the chief of a wing in the secretariat will be an officer of the rank of joint secretary, the head of a sector in the administrative office of the DGHS would be an officer of the rank of deputy director general in the highest grade of director i.e. corresponding to D3.

3.14 A model wing in the secretariat, according to chapter IV, should have two to four divisions headed by a director with 8 or 12 executives in each division. For a larger division with 12 executives, there should be a deputy director to assist the director. However, in each of the proposed divisions in the administrative office of the DGHS, it may be necessary, as explained later, to have one or two deputy directors with 6 to 12 executives to assist the directors.

3.15 While the chief of a wing should have an aide and a registrar, the head of a sector need have only a registrar who would be assisted by one executive for office management. The registrar in the sector will perform two functions; (a) supervision of the registry and R&I; and (b) office management of the sector. Only the chief i.e. the DGHS will have an aide.

3.16 Should the wing pay scales proposed in chapter IV be extended to the technical officers in the reorganised set up? In the proposed wing of the secretariat the wage pattern was so adjusted as to arrange an early entry of specialists. In a sector to be manned by specialists this consideration is not there.

The officers belonging to Central Health Service (CHS), when posted in the technical division of DGHS as deputy assistant director general get Rs. 600-1300 + Rs. 475/- p.m. as non-practising allowance or as assistant director general they get Rs. 1300-1800 + Rs. 600/- p.m. as non-practising allowance, and as deputy or additional deputy director general they get Rs. 1800-2250 + Rs. 600/- p.m. as non-practising allowance. Although the CHS officers could be fitted into one or the other scale of pay proposed for the wing, it is better that the existing scales of pay and allowances are continued for these officers not only because of the special allowance admissible to them but also because the sector will have to be manned mainly by officers of this service with some assistance from the generalists at lower levels. The executives at the lower levels viz. E1, E2 and E3 will have the same scales of pay as suggested for the wing. A statement showing the scales of pay of the head of the sector, the directors and the executives in the sector and the comparative scale of pay proposed in the case of reorganisation of a wing is at page 113.

3.17 The head of the sector should have some limited powers in personnel management such as :

- power to sanction leave
- power to fill short-term leave vacancies in E1 and E2 grades
- power to impose minor penalties on ancillary staff.

#### *Skeleton reorganisation scheme*

3.18 With the introduction of chapter III reform, from the existing medical, public health and drugs control division, items of work relating to overall planning and policy, medical research and medical education, etc, will be transferred to other administrative offices. In terms of percentage of the total volume of work now handled in the existing divisions of the directorate general of health dealing with the medical and public health functions, the work that will be transferred from them will be as follows :

Division	Percentage of work to be transferred
Medical including stores . . . . .	62%
Public health including BT cell . . . . .	35%
Drugs control . . . . .	30%
Architecture . . . . .	..

3.19. With this transfer of work, there would be a proportionate reduction in the existing number of officers and dealing officials and these are indicated below.

Division	No. of officers		No. of dealing officials	
	Existing	Required after transfer of work	Existing	Required after transfer of work
Medical . . . . .	9½	4	7+30	2.6+11.4
Public health . . . . .	17½	11	6+36	4+23.4
Drugs control . . . . .	5	3.5	2+17	1.4+11.9
Architecture . . . . .	11	11	37	37

3.20 After transfer of work, the functions of this sector would be handled in four divisions and two cells:

- medical division to deal with executive functions of the hospitals/institutes, medical attendance and examination rules, and legislation connected with hospitals, mental health, etc;
- public health division to deal with executive functions of the public health institutes/laboratories, administration, amendment and interpretation of Prevention of Food Adulteration Act and rules, etc.;
- drug division to deal with drugs price control, court judgments, administration, amendment and interpretation of various Acts relating to drugs, etc.;
- architecture to deal with preparation of type plans of hospitals and associated buildings, scrutiny and advice on health construction schemes;
- a civil defence cell to look after civil defence measures relating to medical and public health;
- a planning and policy cell to give specialised attention to overall problems of planning, policy and programming of the executive functions of the sector.

3.21 The head of the sector will be a deputy director general carrying a pay scale corresponding to director in D<sub>3</sub> grade and of the division a director of D<sub>2</sub> or D<sub>1</sub> grade on the pay scale indicated in the statement at page 113. The architecture division will be headed by a senior architect as at present.

The planning and policy cell for medical, public health and drugs should be headed by a director D<sub>2</sub> grade.

The civil defence cell which now consists of one director and two executives should continue as an *ad hoc* cell under the head of the sector.

3.22 The director of the public health or medical or drugs division may have a deputy director each on the pay scale indicated in the statement at page. 109

In the substantive divisions of the sector, there will thus be four effective level instead of three visualised for a wing of the secretariat.

The reasons for suggesting the level of deputy director in the divisions are :—

- Public health division.* The number of executives in this division will be 13 meriting the appointment of a deputy director as visualised for a large division in a model wing.

- (b) *Medical division* : (i) Medical attendance/treatment rules, admissibility of reimbursement of medical charges, medical examination etc. generate considerable volume of correspondence of work on which specific technical advice is sought ;
- (ii) such correspondence could be attended to by the executives once the deputy director gives a clear directive ; and
- (iii) if such correspondence were to be submitted to the director for advice he would be carrying a heavy load of non-creative type of work on him.
- (c) *Drugs division* : In this division there is significant amount of legislative work relating to Drugs Act, 1940, Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954, Dangerous Drugs Act, Medical and Toilet Preparation Act, 1955, Poison Act and Rules, etc. which need processing at the levels of executive and deputy director.

3.23 The number of executives on pay scales indicated in statement at page 113 required in the divisions and cells will be as follows :

- (1) *Medical division* : Six executives (two of E4, one of E3, one of E2 and two of E1).
- (2) *Public health division* : Thirteen executives (one of E5, four of E4, two of E3, two of E2 and four of E1)
- (3) *Drugs control division* : Six executives (two of E4, one of E3 and three of E2)
- (4) *Architecture division* : As at present.
- (5) *Planning and policy cell* : Three to four executives.
- (6) *Civil defence cell* : As at present.

With the exception of E5 and E4 executives, all other executives will function under the deputy directors concerned. The E4 and E5 executives will function under the director.

3.24 After reorganisation, each executive will handle 11 receipts per day. Of these, 83.5% will be dealt with by correspondence-handling method, and the remaining 16.5% by the problem-solving methods. This is a manageable load as observed in chapter IV.

3.25 There should be a registry consisting of one registrar, one deputy registrar and one E1 executive in charge of typing pool. It should have units for different divisions and cells. Each unit may consist of one udc and one ldc except the architecture division which may have two ldc only and the larger public health division which may have one udc and two ldc. The planning and policy and civil defence cells may have a common unit.

3.26 For the office management cell, there should be one E1 executive and one udc under the registrar. The broad functions of this cell are :

- (i) maintenance of casual leave rosters and handling applications for leave on average pay and other kinds of leave;
- (ii) disciplinary cases of ancillary staff;
- (iii) procurement, storage & supply of stationery items ;
- (iv) procurement, maintenance and supply of office furniture and equipment ;
- (v) maintaining cleanliness in the sector.

3.27 The chart showing the proposed setup is at page 115.

3.28 The divisions are now located in three different floors. There will be need for providing compact accommodation for the whole sector on one floor.

3.29 The savings as a result of the reorganisation scheme come to Rs. 1.82 lakhs (13.8%).

3.30 Statement at page 117 indicates personnel and financial implications of reorganisation.

Statement showing proposed staff strength of the Medical and Public Health Sector

Sector Head (Rs. 1800-2250+600 NPA)

(Paras 3.22 and 3.30 of Special annexure B)

S. No.	Designation with pay scale	Medi- cal divi- sion	Public Health divi- sion	Drugs divi- sion	Civil defe- nce cell	Plan- ning & policy cell	Regi- stry	Total
1	2	3	4	5	6	7	8	9
1	Director (D2:1600-2000) (D1: 1300-1800) (1100-1800)	1 (D1)	1 (D1)	1 (D1)	1 (D1)	1 (D2)	..	5
2	Dy. Director (1300-1600)	1	1	1	..	..	..	3
3	Executive (E5: 1100-1400)	..	1	..	..	..	..	1
4	Executive (E4: 600-1300) (700-1250)	2	4	2	..	3	..	11
5	Executive (E3 : 400-900)	1	2	1	..	..	1	5
6	Executive (E2 : 325-575)	1	2	3	..	..	..	..
7	Executive (E1: 210-530).	2	4	..	2	..	3	1
8	Stenographer	2	3	2	1	1	2*	11
9	Stenotypist	3	6	3	..	3	1	16
10	Udc	..	..	..	..	..	5	5
11	Ldc	..	..	..	..	..	13	13

\*For sector head.

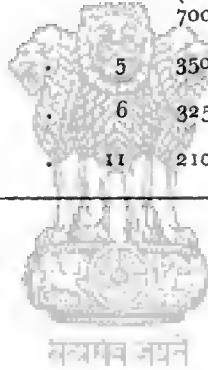


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**Scales of pay of sector-head, directors and executives in the proposed  
medical and public health sector of DGHS**

(Paras 3.16 and 3.20 of Special annexure B)

S. No.	Designation	No. of posts	Sector scale	Corresponding wing scale
1	Sector Head . . .	1	1800-2250+600 (NPA)	2000-125-2250
2	Director (D2) . . .	1	1600-2000	1800-100-2000
3	Director (D1) . . .	4	1300-1800+600 (NPA) 1100-1800	1100-50-1300- 60-1600-100- 1800.
4	Dy. Director . . .	3	1300-1600	1300-1600
5	Executive (E5) . . .	1	1100-1400	1100-1400
6	Executive (E4) . . .	11	600-1300+475 (NPA) 700-1250	700-50-1250
7	Executive (E3) . . .	5	350/400-900	350/400-900
8	Executive (E2) . . .	6	325-575	325-575
9	Executive (E1) . . .	11	210-530	210-530





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**Statement showing cost of existing and proposed officers and staff for  
the Medical and Public Health Sector of the Office of the DGHS**

(Paras 3.8, 3.22 and 3.30 of Special annexure B)

S. No.	Existing posts	No.	Proposed posts	No.
1	2	3	4	5
1	Dy. Director General . . . .	3	Sector Head . . . .	1
2	Drugs Controller . . . .	1	Director (D2) . . . .	1
3	Director (CD) . . . .	1	Director (D1) . . . .	1
4	Asstt. Director General . . . .	3		3
5	Adviser . . . .	2	Dy. Director . . . .	3
6	Dy. Drugs Controller . . . .	1	Executive (E5) . . . .	1
7	Dy. Asstt. Director General . . . .	4	Executive (E4) . . . .	11
8	Asstt. Drugs Controller . . . .	1		
9	T. B/B. C. G. Officer . . . .	2		
10	Regional Medical Officer . . . .	1	Executive (E3) . . . .	5
11	Section Officer . . . .	8		
12	Asstt. Chemist . . . .	1	Executive (E2) . . . .	6
13	Sr. Scientific Assistant . . . .	2		
14	Assistant . . . .	20	Executive (E1) . . . .	11
15	Research/Technical Asstt. . . .	11		
16	Udc . . . .	22	Udc . . . .	5
17	Ldc . . . .	30	Ldc . . . .	11
18	Stenographer . . . .	8	Stenographer . . . .	11
19	Steno-typist . . . .	7	Steno-typist . . . .	16
20	Senior Architect . . . .	2	Senior Architect . . . .	2
21	Architect . . . .	4	Architect . . . .	4
22	Asstt. Architect . . . .	7	Asstt. Architect . . . .	7
23	Chief Draftsman . . . .	2	Chief Deaftsman . . . .	2
24	Senior Draftsman (SG) . . . .	6	Senior Draftsman . . . .	6
25	Senior Draftsman (OG) . . . .	24	Senior Draftsman (OG) . . . .	24
26	Junior Draftsman . . . .	2	Junior Draftsman . . . .	2
27	Ferro-Printer . . . .	3	Ferro-Printer . . . .	3
28	Lower Division Clerk . . . .	2	Lower Division Clerk . . . .	2
		180		138

I. Reduction in terms of personnel : 180-138=42 or 23.3%

II. Cost of existing staff =Rs. 13.13 lakhs

Cost of proposed staff =Rs. 11.31 lakhs

Net saving = Rs. 1.82 lakhs or 13.8%

## IV

**Internal finance wing--Department of Economic Affairs***Basic facts*

4.1 The Department of Economic Affairs of the Ministry of Finance is responsible for the preparation of central government budget, assessment of foreign exchange needs and resources and mobilization thereof in keeping with the country's plans and development requirements.

It lays down policies regarding credit control, currency, including import and export of foreign currency, banking, finance corporations, foreign exchange, foreign aid (economic, financial and technical assistance received by India or rendered by her to foreign countries), and private foreign investments in India and Indian investments abroad.

Control over capital issues and regulation of stock exchange is also included in its charge.

It deals with financial problems arising out of partition and implementation of agreements arrived at between India and Pakistan from time to time.

4.2 The Department is divided into the following five wings called 'divisions':

- (i) Administration,
- (ii) Budget,
- (iii) Economic,
- (iv) External finance, and
- (v) Internal finance.

4.3 The internal finance 'division', hereinafter treated as a wing, deals with all matters connected with banking, control over capital issues, and currency and coinage. It has overall administrative charge of mints, 'silver refinery project', 'India security presses', 'security paper mill project', 'Kolar gold mining undertakings' and 'rehabilitation finance administration' unit. It also handles government-level tasks relating to a number of autonomous financial institutions like Reserve Bank of India, State Bank of India and its subsidiaries, Industrial Finance Corporation, Industrial Development Bank of India, etc. The work relating to administration of Securities Contracts (Regulation) Act, 1956 and regulation of Stock exchanges, formerly handled in the Department of Company Affairs and Insurance, is at present looked after by this wing.

4.4 Heading this wing is an additional secretary. He is assisted by two directors<sup>s</sup> and two deputy secretaries; in addition, there are one joint director and two under secretaries. The entire work is distributed among ten sections, of which three deal with control over capital issues, one each with banking companies, State Bank of India, regulation of stock exchanges and finance corporations, and the remaining three with currency, coinage, gold and silver respectively. A minor portion of its work, viz. administration of Rehabilitation Finance Administration (RFA) Act, is looked after by joint secretary in charge of administration wing.

The additional secretary and one of the directors also supervise work flowing from investment section of the external finance wing.

4.5 A chart showing the existing organisational set up of the wing is at page 123.

4.6 The staffing of the sections and the method of working is by and large conventional. In some cases, however, the practice of noting on each and every receipt has of necessity been dispensed with on account of the nature and quantum of work, e.g. in the banking section where little noting is done and mostly draft replies are put up straightaway. In cases involving complex problems or policy matters, issues are generally examined at higher levels; these could well be handled through paper preparation method.

4.7 Files are opened and maintained in the usual manner except in the sections dealing with capital issues. In the latter, the files are maintained firm-wise and not in accordance with standard main heads or sub-heads; all issues relating to a firm are dealt with on the same file, new volumes being opened year-wise. An alternative could be to maintain files according to a functional index.

For ensuring correct decisions on the basis of precedents, decisions in important cases are recorded in sectional note-books maintained on a functional pattern, that is, subject-wise and topic-wise. Firm-wise record indices could also be developed to show what questions concerning each firm, in chronological sequence, were dealt with and on what files.

### *Special features*

4.8 The subjects dealt with in the internal finance wing are kindred, allied or homogeneous. It is not feasible to transfer to it any item from other divisions or wings of the Department as the nature of work handled by them is quite different.

4.9 The principle of unity of command prevails in this wing except for minor deviations.

Under the RFA Act, loans were given by the former Rehabilitation Finance Administration to displaced persons to rehabilitate them. Their recovery is watched by the RFA unit which is a subordinate office. Work flowing to this wing relates to remission of loans or postponement of recoveries as well as establishment of the RFA unit. At present it is looked after by director (investment) and supervised by the joint secretary (administration), who does not report to the additional secretary. It is only appropriate that this work should be supervised by the head of this wing and not by joint secretary (administration).

Another deviation is in connection with the work relating to foreign investment handled in the external finance wing which is supervised by the director and additional secretary of this wing; it should appropriately be the charge of officers of the external finance wing.

4.10 In the existing arrangement, all issues whether of routine nature or those involving strategic policy are subjected to similar method of processing.

4.11 On several matters, including policy formulation, the secretariat leans heavily upon the advice of specialised institutions like Reserve Bank.

4.12 There is no central unit in the wing for handling policy issues which are at present dealt with individually in the sections concerned, co-ordination being effected at additional secretary's level. A wing concerned with financial and credit control in the country has to be constantly seized of policy formulation in the light of changing economic conditions. It is necessary that policy issues should receive integrated approach for which purpose this work needs to be centralised in a planning and policy division. This division will work in liaison with the 'internal economics' units of the 'economic wing' which review the developments and trends in capital markets, stocks, and bank advances from an overall economic angle.

4.13 At present statistics and returns are received in individual sections; as there is no arrangement to process them, they are not put to proper use. There should be a separate cell to collect, collate and analyse all the relevant data for use in the wing. This cell may form a part of the planning and policy division.

4.14 Work relating to stock exchanges is at present looked after by a director who is also in charge of sections dealing with control over capital issues and corporations. After Governments' consent to the issue of capital is accorded, the shares are registered with the stock exchanges for purposes of quotations and sale. Control over capital issues and regulation of stock exchanges are inter-related aspects and therefore should be grouped together in a separate division.

4.15 The work handled in State Bank section, banking companies section and corporations section relates to financial institutions and should be separately grouped in a division. The close relationship of the work handled in the State Bank and banking companies sections would seem apparent; and the work in the corporations section is also a related item as the various finance corporations take loans from the government at a lower rate of interest and advance money to the private sector at a higher rate, thus performing a banking function.

4.16 In the currency, coinage and gold and silver sections, apart from about 65% work relating to personnel and finance, the remaining substantive items are : issue of currency, import of paper and Reserve Bank holdings in the currency section, procurement or transfer of gold, gold reserves and selling of gold and silver in the market in the gold and silver section, and procurement of stores in the coinage section. These items have little in common with those dealt with in other sections and are at present under the charge of a whole-time director. As these items constitute only 1/3rd of the total work in the sections, a separate division may not be justified and these may therefore be grouped in a separate cell.

4.17 All the subordinate offices of the Department of Economic Affairs are administered by this wing. In addition, there are a number of autonomous bodies in respect of which government-level tasks are performed by it. Thus a large portion of its work relates to personnel and finance matters; in the currency, coinage, gold and silver sections particularly, this accounts for 65 % of the load.

4.18 For proper handling of substantive issues which require undivided attention, it is advisable that substantive divisions should not be burdened with work relating to personnel and finance. The latter could, with advantage, be handled in a separate cell.

4.19 The nature of subjects handled in this wing is such that special tasks are likely to arise quite often; special cells could be created to attend to such work. A recent example of special task is the introduction of social control over banks.

4.20 The wing is at present mostly staffed by generalists; out of 45 officials, only 3 belong to Indian Economic Service. The nature of work in this wing requires thorough grasp of general economic principles, knowledge of banking and corporate finance and familiarity with company law. It is, therefore, essential that this wing should be manned by specialists. Selected officers of the Indian Economic Service and the Indian Statistical Service could be given requisite training before being posted there. Also, there should be an interchange of officers of the wing and those of the Reserve Bank or State Bank or finance corporations on tenure basis. For instance, the officers in charge of banking division could be drawn from Reserve Bank or State Bank. The scales of pay of the staff of these banks are, however, better than those in the secretariat. This disincentive which may prevent Reserve Bank or State Bank staff from coming over to the Department will have to be overcome; one method could be to bring officers on their own personal scales. There is a Banker's Training Institute run by RBI; perhaps its training courses could be suitably tailored for officers of Indian Economic Service and Indian Statistical Service to man different posts in

4.21 A random sample study of four sections of the wing indicated that the work could be classified in terms of nature of receipts as under :

strategic policy	10%
problem solving	25%
correspondence handling	65%

In the correspondence handling category, 45% of receipts are of routine/simple type, the remaining 20% being such as require initial handling at higher levels. Thus in all, about 55% of the total work calls for competent handling. In such a situation it would be desirable to have a much larger proportion of officers at intermediate and senior management levels in this wing than are employed at present.

#### *Skeleton reorganisation scheme*

4.22 The chief of the internal finance wing should have C2 pay scale. He may be either a generalist officer having broad-based experience of corporate finance and banking, or a specialist with general administrative experience.

4.23 The wing should consist of the following :

- (i) planning and policy division;
- (ii) capital control and stock exchange division;
- (iii) banking companies and corporations division;
- (iv) currency and coinage cell; and
- (v) personnel and finance cell, including registry.

4.24 The planning and policy division may be headed by a director (D<sub>2</sub>) assisted by two executives (E<sub>4</sub>, E<sub>3</sub>); the former may act as "number two" in the wing.

The statistical cell may be in the charge of an E<sub>3</sub> executive assisted by two E<sub>1</sub> executives.

4.25 The capital control and stock exchange division may be headed by a director (D<sub>1</sub>). He may be assisted by five executives (E<sub>5</sub>, E<sub>4</sub>, E<sub>3</sub>). Of these, two executives may look after stock exchange work and the remaining three executives that relating to capital issues.

4.26 The banking companies and corporations division may be in the charge of a director (D<sub>2</sub>) who may be assisted by five executives (E<sub>4</sub>, E<sub>3</sub>). Of these, three may deal with banks and the other two with finance corporations.

4.27 The currency and coinage cell may be headed by an E<sub>5</sub> executive assisted by two executives (E<sub>3</sub>).

4.28 The personnel and finance cell could be in the charge of an E<sub>4</sub> executive. He may be assisted by three executives (E<sub>3</sub>, E<sub>1</sub>).

The registry will be in the charge of an E<sub>3</sub> executive who will be assisted by supervisor (E<sub>1</sub>).

The cell will also look after office management functions visualised in chapter IV for aide to the wing chief.

4.29 The proposed organisation of the wing is indicated in the chart at page 125.

4.30 As stated earlier, for efficient handling of the work it is necessary for the divisional heads/executives to have a thorough grasp of general economic principles and specialised knowledge of the subjects to be handled by them.

The planning and policy division should be manned by experts in corporate finance and banking who are conversant with company law.

The director and executives in the capital control and stock exchange division should be experts in corporate finance and also be familiar with company law.

The director and executives in the banking companies and corporations division should possess sound knowledge of banking and corporate finance.

4.31 The executives at various levels will be required to handle the following number of receipts per day:

(i) planning and policy division	. . . . .	4.7
(ii) capital control & stock exchange division	. . . . .	6.5
(iii) banking companies & corporations division	. . . . .	7.6
(iv) currency and coinage cell	. . . . .	7.0
(v) personnel and finance cell	. . . . .	11.2

Though the number of receipts to be dealt with by each executive in the wing is less compared to that visualised in the typical wing, this would be justified in view of the fact that at least 50%-60% of the receipts might be of complex variety and would be time-consuming.

4.32 Statements indicating the staff employed at present as well as the proposed strength are at pages 127 and 128. Another statement at page 129 shows the personnel and financial implications of reorganisation, which will lead to a saving of Rs. 0.52 lakhs (9.7%).

4.33 At present the wing is housed in two different buildings; some sections are located in North Block and others in Jeevan Deep building in Parliament Street. It would be advisable to locate the entire wing at one place.



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Statement showing strength of officers and staff in the Internal finance division  
(Para 4.32 of special annexures B)

S. No.	Designation	Stock Exchange	CCI I	CCI II	CCI III	Total (3 to 6)	State Bank of India	Corporations	Total (8 to 10)	Current (11)	Emergency (12)	Co-investments (13)	Gold and silver (14)	Total (12 to 14)	Grand Total (15 + 16)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Additional Secretary	.	.	.	.	.	.	.	.	.	.	.	.	.	1
2	Director	.	.	.	.	.	.	.	.	.	.	.	.	.	2
3	Deputy Secretary	.	.	.	.	.	.	.	.	.	.	.	.	.	2
4	Joint Director	.	.	.	.	.	.	.	.	.	.	.	.	.	1
5	Under Secretary	.	.	.	.	.	.	.	.	.	.	.	.	.	2
6	Section Officer (Tech.)	.	.	.	.	.	.	.	.	.	.	.	.	.	1
7	Finance Officer	.	.	.	.	.	.	.	.	.	.	.	.	.	1
8	Section Officer	.	.	.	.	.	.	.	.	.	.	.	.	.	9
9	Assistant	.	.	.	.	.	.	.	.	.	.	.	.	.	24
10	Economic Investigator	.	.	.	.	.	.	.	.	.	.	.	.	.	1
11	U.D.C.	.	.	.	.	.	.	.	.	.	.	.	.	.	2
12	L.D.C.	.	.	.	.	.	.	.	.	.	.	.	.	.	19
13	Stenographer	.	.	.	.	.	.	.	.	.	.	.	.	.	5
14	Stenotypist	.	.	.	.	.	.	.	.	.	.	.	.	.	3

Statement showing proposed strength of officers and staff of the  
Internal finance wing

(Para 4.32 of Special annexure B)

Wing Chief (C2 : Rs. 3,000)

Sl. No.	Designation with pay-scale	Capital Control & Stock Exchange division	Banking Companies & Corporations division	Planning & Policy division	Currency & Coinage cell	Personnel & Finance cell	Registry	Total
1	2	3	4	5	6	7	8	9
1	Director(D2 : 1800-2000 (D1: 1100-1800)	1(D1)	1(D2)	1(D2)	..	..	..	} 3 D2 : 2 D1 : 1
2	Executive(E5)(1100-1400)	1	..	..	1	..	..	
3	Executive(E4)(700-1250)	2	1	1	..	1	..	5
4	Executive(E3)(350-900)	2	4	2	2	2	1	13
5	Executive(E1)(210-530)	..	..	2	..	1	1	4
6	Stenographer(210-530)	2	1	1	1	..	2*	7
7	Stenotypist . . .	3	3	2	1	2	..	11
8	Udc. . . . .	..	..	..	..	1	3	4
9	Ldc. . . . .	..	..	..	..	..	7	7

\*For Wing Chief.

**Statement showing strength and cost of existing and proposed staff for  
the internal finance wing**

(Para 4.32 of special annexure B)

Sl. No.	Designation	Pay Scale	Exis- ting No.	Pro- posed No.
1	2	3	4	5
1	Additional Secretary/Wing Chief (C2)	Rs. 3000	1	1
2	Director (D2)	Rs. 1800—2000	2	2
3	Deputy Secretary/Director (D1)	Rs. 1100—1800	2	1
4	Joint Director/Executive (E5)	Rs. 1100—1400	1	2
5	Under Secretary	Rs. 900—1250	2	..
6	Executive (E4)	Rs. 700—1250	..	5
7	Section Officer (Tech.)	Rs. 400—950	1	..
8	Finance Officer	Rs. 400—900	1	..
9	Section Officer/Executive (E3)	Rs. 350—900	9	13
10	Assistant/Executive (E1)	Rs. 210—530	24	4
11	Stenographer	Rs. 210—530	5	7
12	Economic investigator	Rs. 210—425	1	..
13	Udc.	Rs. 130—280	2	4
14	Stenotypist	Rs. 110—180 + Rs. 20 Spl. Pay	3	11
15	Ldc.	Rs. 110—180	19	7
<b>TOTAL</b>			<b>73</b>	<b>57</b>

I. Reduction in terms of personnel

= 73-57=16 or 21.9%

II. Cost of existing staff

= Rs. 5.37 lakhs

Cost of proposed staff

= Rs. 4.85 lakhs

Net saving

= Rs. 0.52 lakhs or 9.7%

## Animal Husbandry Division- Department of Agriculture

### *Basic facts*

5.1 The Ministry of Food, Agriculture, Community Development and Co-operation has four departments: (a) Department of Food, (b) Department of Agriculture, (c) Department of Community Development, and (d) Department of Cooperation. The Department of Food has a separate secretary at its head, and the other three departments have a common secretary. All these departments handle subjects largely in the State List.

5.2 The Department of Agriculture is responsible for formulation of policies and programmes for agricultural production, overall supply and availability of agricultural inputs, guidance to the state governments in the implementation of programmes and promotion of agricultural research with a view to applying its results in the field.

5.3 The work of Department of Agriculture is distributed among the following 8 wings :

- (i) Production,
- (ii) Forestry,
- (iii) Fisheries,
- (iv) Inputs(F),
- (v) Inputs(M),
- (vi) Land problems,
- (vii) Special development programmes, and
- (viii) Co-ordination.

5.4 The production wing has two divisions; one is called 'animal husbandry' and the other 'crops'. The former is headed by animal husbandry commissioner (AHC) who functions as joint secretary. The whole wing comprising the two divisions is under the overall charge of an additional secretary(P).

5.5 The animal husbandry division deals with livestock development programmes. These relate to setting up of a number of intensive cattle development (ICD) blocks for improved breeding, supply of loans for purchase of cattle, provision of improved fodder, sheep, piggery and poultry development, etc.

5.6 Other statutory and constitutional obligations of the Department of Agriculture which are handled by this division are :

- (i) Inter-state quarantine. (This includes animal quarantine and certification service in India).
- (ii) Prevention of Cruelty to Animals Act, 1960.
- (iii) Livestock Importation Act, 1953.
- (iv) Matters relating to issue of licences under the Industrial (Development and Regulation) Act, 1951.

5.7 This division is also responsible for animal husbandry matters relating to the Union Territories and making grants to all-India organisations such as Central Council of Gosamvardhana, Animal Welfare Board, National Dairy Development Board.

5.8 The work of this division is handled by 3 sections, viz. livestock development I (L D I), livestock development III (LD III) and dairy development (DD), and 13 technical units.

5.9 Livestock development I section deals with various administrative and procedural matters particularly budget, issue of sanctions relating to building construction programmes, administration of the three regional poultry farms which are subordinate offices, cow protection committee, sheep development and slaughter house schemes.

5.10 Livestock development III section deals with government orders on policy matters relating to cattle development and breeding schemes, administrative matters relating to Central Council of Gosamvardhana, Animal Welfare Board, Regional Hide Flaying Centre, Hissar Farms, calf rearing scheme, Indo-Danish/Indo-Swiss cattle development projects in Mysore and Kerala, administration of Prevention of Cruelty to Animals Act, Cattle rearing farms, animal quarantine, import of live-stock.

5.11 Dairy development section deals with the Delhi milk scheme, state dairy schemes, National Dairy Development Board, training programme under various foreign aid assistance schemes, schemes for establishment of milk product factories in private sector.

5.12 Technical work relating to schemes, their planning, formulation and progress is processed by the 13 technical units.

5.13 A chart showing the existing structure of this division is at page 137.

5.14 There are also six foreign experts under various technical assistance programmes assigned to this division for specialised work, e.g., poultry, cattle husbandry, pork technology, dairy engineering (FAO), slaughter house construction, dairy management (Colombo Plan). The period of assignment of these experts varies from 2½ to 5½ years.

### *Special features*

5.15 Aside dairy development, all other technical work is centralised in one composite block with 13 constituent units, each unit being responsible for a specialised activity, e.g., sheep, piggy development, cattle development. The basic dealing official is the technical assistant or the senior technical assistant who possesses the requisite professional qualifications for dealing with the subject.

In the dairy development section also the first level of consideration is the senior technical assistant.

5.16 The hierarchical levels above the technical assistant/senior technical assistant are : technical officer, assistant commissioner, deputy commissioner, joint commissioner, all possessing technical and professional qualifications.

5.17 The administrative work relating to Delhi milk scheme dealt with in the dairy development section, however, flows through the conventional hierarchical levels, viz., upper division clerk—section officer—under secretary—deputy secretary.

5.18 The number of specialists in the division is 48 while that of the generalists is 10 and one part-time additional secretary.

Technical work relating to planning, formulation and implementation of live-stock and dairy schemes has been assigned to the technical officers.

Technical officers are empowered to address their counterparts in state governments on technical aspects only; formal letters to state governments are issued over the signature of under secretary/deputy secretary.

5.19 Cases which raise both technical and administrative issues are first handled by the technical units. These are either discussed with the under secretary, or, if a detailed examination is necessary, the file is referred to the LD I/LD III sections by the technical unit.

5.20 This division—whose nature and volume of work would justify raising its level to that of a wing—has under its control two Jersey cattle breeding farms at Kataula (H.P.) and Hassar-Ghatta (Mysore); three Central poultry farms at Bombay, Bhubaneswar and Bangalore; four sheep farms; and assistant registrar, herd registration scheme at Bhubaneswar; and Delhi milk scheme. Proposals are also there to have six cattle breeding farms, and five regional forage production and demonstration stations.

5.21 Studies showed that all personnel and financial matters relating to staff, whether they be officers at the headquarters or in the subordinate offices, have been segregated; their processing is done in the personnel division of the co-ordination wing and not in the production wing.

Similarly, matters relating to supplies and service, budget, accounts, Parliament and R & I are centralised in a separate division called the general administration division of the co-ordination wing.

5.22 Broadly, the co-ordination wing (personnel division and general administration division) deals with the following matters relating to personnel administration and financial management :

- |   |   |   |
|---|---|---|
| (i) recruitment to posts  | } | of all officers at the headquarters and in the attached and subordinate offices |
| (ii) seniority  |   |   |
| (iii) deputation  |   |   |
| (iv) confirmation   |   |   |
| (v) leave   |   |   |
| (vi) retirement, etc.   |   |   |
| (vii) co-ordination in preparation of budget of attached and subordinate offices and various schemes of the department of agriculture |   |   |
| (viii) budget proposals of Union territories.   |   |   |

The sections on the animal husbandry side viz. LD I, LD III and DD are mainly concerned with the following administrative and financial matters :

- (i) Recruitment rules of posts in the subordinate and regional offices
- (ii) creation of posts
- (iii) budget of various schemes
- (iv) expenditure sanctions for purchases outside the delegated field of regional and subordinate offices
- (v) proposals for the release of foreign exchange.

For dealing with these and allied items of work, there is a separate under secretary and a deputy secretary.

Examination of proposals for creation of posts, scrutiny of budget, according administrative approval, and issue of expenditure sanctions require good knowledge of and experience in financial management. Framing of recruitment rules require intimate knowledge of certain aspects of personnel management.

A question arises whether there should be an internal personnel and financial cell for this wing since the chief is to be responsible for formulation of budget proposals as well as financial management of the budget allocations concerning animal husbandry. A separate personnel and financial cell could ensure that matters relating to animal husbandry do not get swamped by those of the Department proper in its co-ordination wing. One under secretary (E4) assisted by two executives should be adequate to meet the requirement of the work relating to the personnel administration and financial management. The reasons why deputy secretary level may not be justified are: (a) that the cell will function under the overall control and guidance of the centralised personnel wing of the Department, and (b) that the nature and volume of work would justify only executives and not a director.

5.23 Every officer of and above the rank of assistant commissioner has been provided with a full-time stenographer. Technical officers have been provided with stenographic assistance by way of one full stenographer for two of them or one steno-typist each.

5.24 There is a small evaluation cell headed by progress evaluation officer (class II).

5.25 It will appear from the chart at page 137 that the staffing pattern varies from section to section. In LD I and LD III sections and a part of the dairy development section, the work is handled on conventional lines.

5.26 There is no uniform pattern of work flow in the 13 technical units. One unit has only one level of consideration above the first dealing officer, four units two, six units three, and the remaining two units four.

5.27 It is visualised in chapter IV that the charge of the chief of a wing should be homogeneous, and that there should be unity of command. Regrouping of functions and subjects in the animal husbandry wing has been proposed accordingly.

5.28 Studies showed that the conventional sections LD I, LD III and DD in many respects function like registries; for instance, files relating to sheep, piggy, feeds and fodder, animal quarantine etc. are maintained in LD I/LD III section and submitted without examination to the specialist in the technical division for comments/advice.

5.29 Some overlapping of subjects among the administrative sections (LD I and LD III) and the technical units was also observed. For instance, herd registration work is handled in technical unit while the work relating to extension of herd registration is handled in LD III section. Similarly, animal health information is collected by a technical unit, but dissemination of information and literature on poultry is dealt with in LD I section.

5.30 One of the main items of work handled by the wing relates to central and centrally sponsored schemes listed at page 139. Some of these schemes are taken up by the Centre because they are of all-India character. Others, though of regional interest, are undertaken by the Department or the Central Council of Gosamvardhana, which is a registered society financed by the Centre, either because of inadequacy of funds in the state budget or lack of expertise at the state level.

5.31 If the Centre is to restrict its role to setting up model livestock/poultry farms on an experimental basis, most of these farms should be administered by the state governments with the funds and technical know-how provided by the Central Government. Thus, one out of three central poultry farms, three out of six cattle breeding farms, and one out of five sheep breeding farms need only be retained by the Centre.

5.32 As the activities are specialised, it will be necessary that the chief of this wing should be a senior specialist who should continue to be on Rs. 2000-2250.

5.33 The study team on Centre-state relationship has recommended that an office of evaluation should be set up in the administrative ministry. Studies also showed that except for very important schemes in the state sector, e.g., key village scheme, this wing does not obtain progress reports in respect of plan schemes in the state sector. However, progress reports, when received, did not appear to have been made full use of; in fact, there are no arrangements for undertaking systematic, critical review or evaluation of the progress of schemes, except for *ad hoc* examination at the time of annual plan discussions. Setting up of a separate evaluation division to ensure systematic and continuing evaluation of the plan schemes would seem necessary.

5.34 Under the personnel and finance cell there should be a registrar assisted by one E1 executive for office management. The registrar in the wing would perform two sets of functions, viz., supervision of registry and R & I, and the office management functions of the wing.

*Skeleton reorganisation scheme*

5.35 The wing should be reorganised, distributing functions among six divisions and a separate cell as follows :

- (a) A planning and policy division covering each specialised activity in animal husbandry with a statistical cell, under a director. This will be responsible for the overall policy and planning of the wing as a whole. The divisional head should be a specialist. The statistical cell of the division will not only receive statistical information relating to various schemes but will also compile/analyse data on all-India basis relating to the activities of the wing.
- (b) Cattle development division to deal with executive functions of the ICD block, key villages and slaughter houses.
- (c) Animal health division to deal with livestock health, animal quarantine, hide flaying, wild cattle catching scheme, herd registration, rinderpest eradication, and feed and fodder demonstration centre.
- (d) Sheep, piggery and poultry division to deal with operational problems relating to the development of poultry, piggery and sheep, cow protection committee.
- (e) Dairy development division will be concerned with executive functioning of DMS and milk product factories in the private sector and dairies of state governments.
- (f) Evaluation division to undertake review of all schemes. This division will be headed by a director (D1), trained in evaluation techniques and efficiency analysis.
- (g) Personnel-cum-finance cell will be under the charge of one under secretary (E4). He will be assisted by two executives (E1) and will also look after registry and office management functions.

5.36 The wing chief will be a director of D3 category; the head of division, a director of D1 category.

The number of directors and executives required in the six divisions and one cell will be as follows:

1. Animal health division . . . One director (D1) and four executives (one of E4 and three of E3).
2. Cattle development division . . . One director (D1) and five executives (two of E4, two of E3 and one of E2).
3. Poultry, piggery and sheep development division. . . One director (D1) and seven executives (three of E4, two of E3 and two of E2).
4. Dairy development division . . . One director (D1) and seven executives (three of E4, three of E3 and one of E2).
5. Planning and policy division . . . One director (D1) and eight executives (five of E4 and three of E2).
6. Evaluation division. . . . . One director (D1) and four executives (two of E3 and two of E2).
7. Personnel and finance cell . . . One executive (E4) and two executives (E1).

A statement showing distribution of directors and other executives in various divisions is at page 140.

5.37 The joint commissioner with respect to DD section and the deputy commissioner (poultry) with respect to LD I section dispose of most of the correspondence without writing notes. They write notes only when a problem or issue is to be brought to the notice of the higher officers or it involves a policy issue requiring their approval and orders. It could, therefore, be said that technical officers are already following, to some extent, the methods reform visualised in chapter IV.

5.38 A study of 271 files and 269 receipts of LD I, DD and technical units of the wing indicated that the work could be classified in terms of nature of receipts as under:

<i>Strategic policy</i>	<i>Problem solving</i>	<i>Routine</i>	<i>Correspondence handling Simple</i>	<i>Others</i>
7.0%	13.0%	22.8%	27.5%	29.7%

After reorganisation, the number of receipts to be handled by each executive, including those in planning and policy division, will be 5.1 per day.

5.39 80% of the work would be disposed of straightaway by the executives through correspondence handling method by drafting replies without any noting. For the remaining 20% of the work, which mainly consists of formulation of schemes and providing leadership and guidance to states, papers will have to be prepared either by an executive or by a team of executives depending on the nature of problem to be tackled. Even now groups of technical officers are formed to tackle problems, e.g. selection of suitable sites for cattle breeding farms. The above nature of work is the reason for giving a comparatively lighter load (in terms of receipts per day) to the executives in this wing.

5.40 As most of the schemes or projects are composite in character involving various types of actions from their initiation to completion, a file dealing with a scheme may contain a number of volumes each being split up into two parts, viz.

- (i) the first part on the right containing documents, viz. the paper dealing with substantive major and technical aspects, and correspondence relating thereto, filed in chronological sequence; and
- (ii) the second on the left containing brief minutes and decisions of the higher officers with reference to the documents in the first part.

5.41 There should be a registry consisting of one registrar (E3), one deputy registrar (E1) and one executive (E1) in charge of R & I and typing pool; it should further have three cells, each staffed by one udc and one ldc to maintain files of a group of two divisions.

5.42 For the office management functions, there should be one executive (E1) and one udc who would be placed under the registrar.

5.43 The chart showing the proposed set up is at page 141.

5.44 The statement showing the comparative cost of existing and the proposed set up is at pages 143—144. There will be a saving of Rs. 1.04 lakhs (12.2%). Details of the personnel rendered surplus and the additional requirement of officers and staff after reorganisation are indicated in statement at page 145.

5.45 At present, the sections, units and officers of the wing are dispersed over all the five floors of the building. It would facilitate consultation and disposal of work if the whole wing is provided accommodation in a compact sector of one floor of the building.



सत्यमेव जयते

List of Central and Centrally Sponsored schemes in animal husbandry and dairying sector under the 4th plan

(Para 5.30 of special annexure B)

*A. Development Schemes (Department of Agriculture)*

- 1 Expansion of Jersey cattle breeding farms.
- 2 Establishment of cattle breeding farms.
- 3 Intensive cattle development blocks in milkshed areas of Delhi milk scheme (Centrally sponsored).
- 4 Salvage and rearing of calves.
- 5 Organisation of regional and all-India cattle and poultry shows.
- 6 Establishment of five large scale sheep farms (four Centrally sponsored and one Central).
- 7 Central poultry breeding farms.
- 8 Egg powder factory (Not yet finalised).
- 9 Delhi milk scheme.
- 10 Extension of herd registration to the important breeding tracts and formation of breed societies.
- 11 Establishment of regional stations for conducting demonstrations of forage production.

*B. Disease Control*

- 12 Rinderpest eradication (Centrally sponsored).
- 13 Animal quarantine and certification service.

*C. Animal Welfare*

- 14 Animal Welfare Board.
- 15 Animal Experimentation Committee.

Statement showing proposed staff strength of the animal  
husbandry wing

(Para 5.36 of special annexure B)

Wing chief (D3 : Rs. 2000-2250)

S. No.	Designation with pay-scales	Animal health	Cattle develop-ment	Poultry piggery sheep develop-ment	Dairy develop-ment	Plann- ing and policy	Evalu- ation and finance cell	Per- sonnel	Total
1	2	3	4	5	6	7	8	9	10
1	Director (D1 : Rs. 1100-1800).	1	1	1	1	1	1	..	6
2	Executive (E4 : Rs. 700-1250)	1	2	3	3	5	..	1	15
3	Executive (E3 : Rs. 350-900)	3	2	2	3	..	2	1	13
4	Executive (E2 : Rs. 325-575) Rs. 450-575) Rs. 335-425)	..	1	2	1	3	2	..	9
5	Executive (E1 : Rs. 210-530)	..	..	..	..	..	..	5	5
6	Stenographer (Rs. 210-530)	1	1	1	1	1	1	2*	8
7	Stenotypist (Rs. 110-180+ Rs. 20 spl. pay)	4	4	5	6	5	2	..	26
8	Udc (Rs. 130-280)	..	..	..	..	..	..	4	4
9	Ldc (Rs. 110-180)	..	..	..	..	..	..	7	7

\*For wing chief

**Statement showing strength and cost of existing and proposed staff for the animal husbandry wing**

(Para 5.44 of special annexure B)

S. No.	Existing posts	No.	Proposed posts	No.
1	2	3	4	5
1	Animal Husbandry Commissioner (Rs. 2000-2250).	1	Wing Chief (D3) (Rs. 2000-2250) Director (D1) (Rs. 1100-1800)	1 6
2	Joint Commissioner (Rs. 1600-1800)	2	Executive (E4) (Rs. 700-1250)	15
3	Officer on Special Duty (Rs. 1600-1800)	1	Executive (E3) (Rs. 350-900)	13
4	Deputy Secretary (Rs. 1100-1800)	1	Executive (E2) (Rs. 325-575)	9
5	Deputy Commissioner (Rs. 1300-1600)	3	Executive (E1) (Rs. 210-530)	5
6	Under Secretary (Rs. 900-1250)	1		
7	Dairy Engineer (Rs. 700-1250)	1		
8	Assistant Commissioner (Rs. 700-1250)	10		
9	Asstt. Livestock Officer (Rs. 350-900)	3		
10	Asstt. Animal Husbandry Officer (Rs. 350-900)	2		
11	Asstt. Poultry Dev. Officer (Rs. 350-900)	1		
12	Officer I/C Wild Cattle Catching Scheme (Rs. 350-900)	1		

1	2	3	4	5
13	Officer I/C Hide Flaying Scheme (Rs. 350-900)	1		
14	Progress Evaluation Officer (Rs. 350-900)	1		
15	Tech. Officer (Rs. 350-900)	4		
16	Section Officer (Rs. 350-900)	3		
17	Senior Technical Assistant (Rs. 325-575)	11		
18	Senior Draftsman (Rs. 450-575)	1		
19	Draftsman (Rs. 325-425)	1		
20	Assistant (Rs. 210-530)	5		
21	Technical Assistant (Rs. 210-425)	4		
22	Stenographer (Rs. 210-530)	20	Stenographer	8
23	Upper division clerk (Rs. 130-280)	4	Upper division clerk	4
24	Stenotypist (Rs. 110-180 + Rs. 20 Spl. pay)	13	Stenotypist	26
25	Lower division clerk (Rs. 110-180)	10	Lower division clerk	7
TOTAL		105		94

I. Reduction in terms of personnel : 105-94-11 or 10.5%

II. Cost of existing staff : Rs. 8.53 lakhs

Cost of proposed staff : Rs. 7.49 lakhs

Net saving : Rs. 1.04 lakhs or 12.2%

Details of surplus and additional requirements of officers and staff  
after reorganisation of the animal husbandry wing

(Para 5.44 of special annexure B)

Post	Existing No.	Proposed No.
1	2	3
Animal Husbandry Commissioner . . . . .	1	1
Joint Commissioner = 2 . . . . .	3	3
O.S.D. (Farms) = 1 . . . . .		
Deputy Secretary . . . . .	1	..
Deputy Commissioner . . . . .	3	3
Under Secretary . . . . .	1	1
Asstt. Commissioner . . . . .	10	13
Dairy Engineer . . . . .	1	1
Asstt. Livestock Officer = 3 . . . . .		
Asstt. Animal . . . . .		
Husbandry Officer = 2 . . . . .		
Asstt. Poultry . . . . .	13	12
Development Officer = 1 . . . . .		
Officer I/C Hide . . . . .		
Flaying Scheme = 1 . . . . .		
Officer I/C Wild Cattle . . . . .		
Catching Scheme = 1 . . . . .		
Programme Evaluation Officer = 1 . . . . .		
Technical Officer = 4 . . . . .		
Section Officer . . . . .	3	1
Senior Technical Asstt. . . . .	11	7
Technical Assistant . . . . .	4	..
Senior Draftsman . . . . .	1	1
Draftsman . . . . .	1	1
Assistant/Udc . . . . .	9	9
Stenographer . } . . . . .	33	34
Stenotypist . }		
Ldc . . . . .	10	7
	105	94



सत्यमेव जयते

## SPECIAL ANNEXURE C

(Para 5.3)

	Page
C-1 Report of the working group on the Departmental of Personnel .	149
C-2 Report on the Department of Administrative Reforms by C. James Gardner, U.N. inter regional Adviser in public administration . . . . .	167
C-3 Report of the working group on the Department of Regional Planning Housing and Local Government . . . . .	193





सत्यमेव जयते

## SPECIAL ANNEXURE C-I

(Para 5.5)

### Report of the working group on the Department of Personnel

Sections	Page
I Introduction . . . . .	151
II Council on Personnel Administration . . . . .	153
III Policy Wing . . . . .	153
IV Career Systems Wing . . . . .	156
V Development Wing . . . . .	158
VI Inspection and Housekeeping Wing . . . . .	161
VII Training programmes for professional staff members employed in the Department of Personnel . . . . .	164
VIII Functions of Personnel Offices in Ministries and Departments	165
IX Conclusion . . . . .	166





सत्यमेव जयते

## Introduction

The Study Team on the Machinery of the Government of India indentified nine "nodal functions" in its report, of which it considered personnel administration as central to the whole range of administrative activity. The earlier report had underscored the need for a Department of Personnel, described generally the functions it should perform, and indicated its location in the Government. Within this frame provided by the earlier report Shri M. Ramakrishnayya, Joint Secretary, Department of Social Welfare and Shri G. R. Nair, Deputy Secretary, Department of Administrative Reforms, assisted by Dr. Ross Pollock and Dr. Harry R. Seymour of the Indian Institute of Public Administration, were assigned the task of developing a specific proposal for the organisation, functions and staffing of the proposed Department of Personnel. They were also to propose a general plan for personnel offices in other departments. This report presents the recommendations of this group.

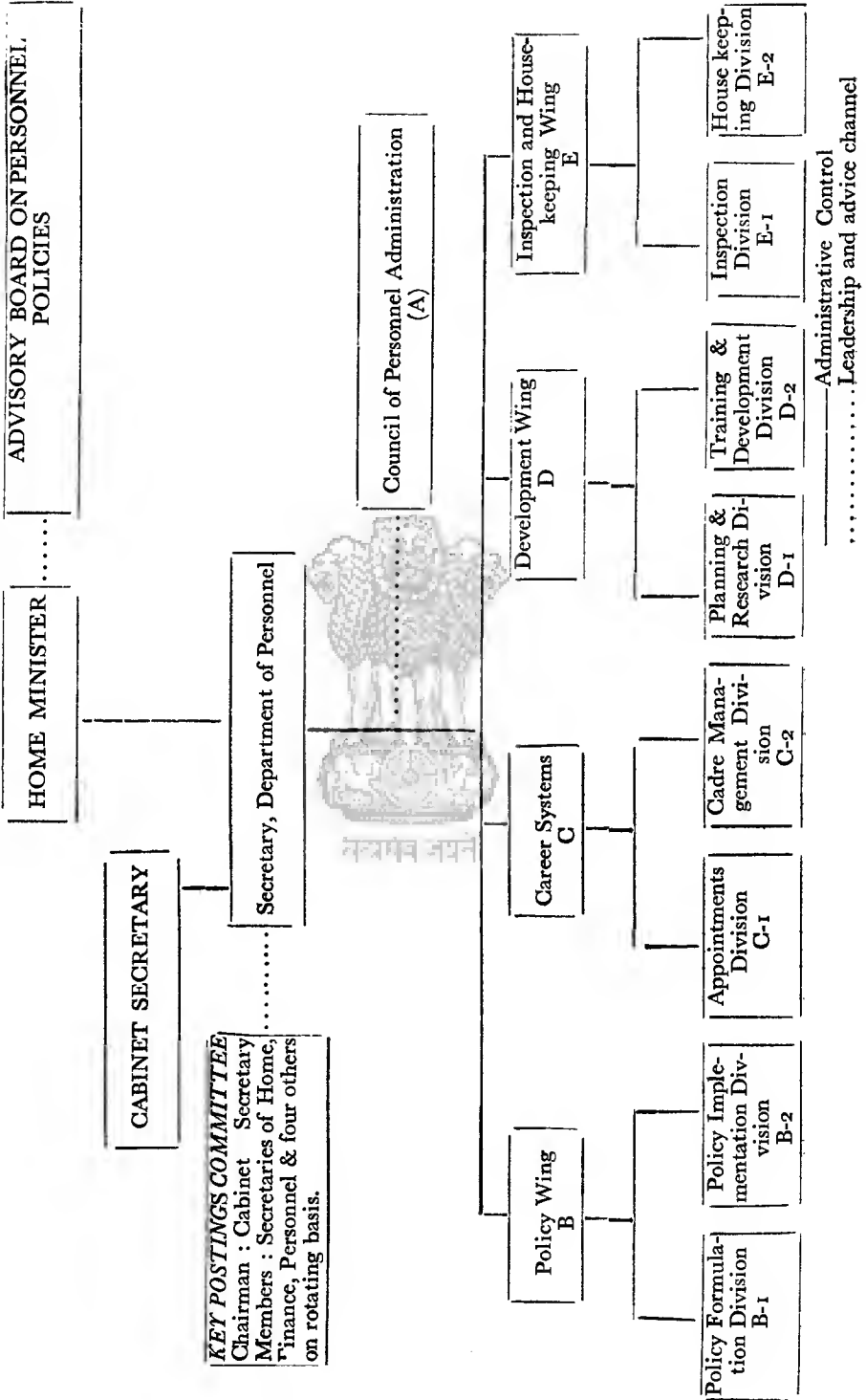
2. The study team listed the following core functions for the Department of Personnel :

- (1) Postings to key posts
- (2) Formulation of personnel policies
- (3) Man-power planning for governmental requirements
- (4) Service rules of all kinds
- (5) Centralised aspects of management of all-India and inter-ministry cadres
- (6) Talent hunting in all cadres and outside government
- (7) Career development
- (8) Overall aspects of training
- (9) Advising personnel management agencies within ministries
- (10) Improving the machinery for redress of government servants' grievances
- (11) Staff welfare
- (12) Research in personnel administration
- (13) Vigilance
- (14) Relationship with the U.P.S.C.

3. While examining the implications of these functions, it was felt that a few more related items which are implicit in the study team's report, but were not spelt out in detail should be dealt with. It was thought for instance that certain aspects of the new all-India services may legitimately come within the purview of the Department of Personnel. In terms of functions, this would mean the framing of such rules and regulations that are common to all the all-India services. The day to day management of their cadres would of course rest with the appropriate ministries/departments. Also, certain research and training activities which are the responsibility of the department have been dealt with in detail. In this respect as the main objective of personnel policy is to find the right person for the right job it is necessary to highlight the need for an efficient system of job analysis and job needs and entrust the Department of Personnel with the specific responsibility of developing the same.

4. It is proposed that the Department of Personnel should have four wings. One wing will be concerned with the review of existing policy and development of new policy in personnel administration, and with the issue of appropriate rules and instructions to guide ministries and departments in the execution of personnel policies. The second wing will deal with the problems of identifying and staffing key posts, and with the management of the Indian Administrative Service and the Central Secretariat Service. The third wing will be concerned with research in all aspects of personnel administration and development of meaningful training and executive development programmes for different types of personnel in government. The fourth will be concerned with a review of the personnel policies and procedures employed by ministries and departments, with vigilance, with final appeals under the grievance procedures, and with house-keeping functions for the Department as a whole. The organisation chart at page 152 will bring out clearly the set-up envisaged.

# DEPARTMENT OF PERSONNEL



5. If the new Department of Personnel is to make a decisive impact on personnel administration in the Government of India, its head should be no one less than a Secretary to the Government of India. The selection of the Secretary, Department of Personnel should be done with great care since a cynic heading the department without either ideas or a flair for realistic innovation can reduce its activities to meaningless rituals. The different wings will be presided over by an officer of the rank of joint secretary. They should be chosen carefully after an assessment of their capacities both in the realm of ideas and action. That is to say, not only should they be intellectually gifted, they should also have a capacity for innovation and a passion to get their idea implemented. These officers may be drawn from a variety of services with a view to presenting effectively a progressive image of the new department. How the lower layers of the department should be staffed has been described in some detail in the appropriate sections of the report. It will be seen from the staffing pattern suggested that a conscious effort has been made to keep the numbers modest and to absorb most of the existing staff who may be found suitable. It is likely that a further expansion of the Development Wing may be necessary as new personnel policies project new avenues for training and development.

## II

### A - Council on Personnel Administration

6. The earlier report of the study team had suggested the setting up of a council on personnel administration to advise the department on personnel policies. It is suggested that the Council of Personnel Administration should meet under the chairmanship of the Secretary, Department of Personnel, quarterly and discuss reports on government personnel problems and programmes presented by its own members or the Policy Formulation Section; recommend new policies or new lines of research. It will also advise on those aspects of personnel administration which may impinge on Centre-state relations, and those with educational institutions. Individual members should be given all facilities to consult staff members of any section or division of the department on technical problems in which the members have special competence. It is suggested that the council may consist of fifteen members who are experts in personnel administration. They may be selected from states, ministries and appropriate professional groups. The term of members will be for three years and they will retire by rotation so that every one is involved over a period of time in the deliberations of the Council.

7. Besides it would be appropriate that an Advisory Board on Personnel Administration headed by the Home Minister may be constituted. This will enable the Home Minister to get a real 'feel' of the expert thinking on important matters of personnel policies and sharpen his role in the Cabinet. The Cabinet Secretary should be associated with it in view of his central role in personnel administration. The Board may meet at least thrice every year. The presence of the Home Minister will ensure that men who are eminent in various fields and have a creative outlook on personnel administration would be attracted to participate in its deliberations. The advice tendered by this committee should be of great value in the formulation of progressive personnel policies.

8. The functions of each wing and the staff required for their efficient performance will be described in the following sections. Here a word may be added about the terminology used. *Wing* has been used to mean the charge of an officer of the rank of joint secretary. *Division* and *branch* are used in this report to denote the levels of deputy secretary and under secretary. The approximate size of the supporting staff has also been indicated.

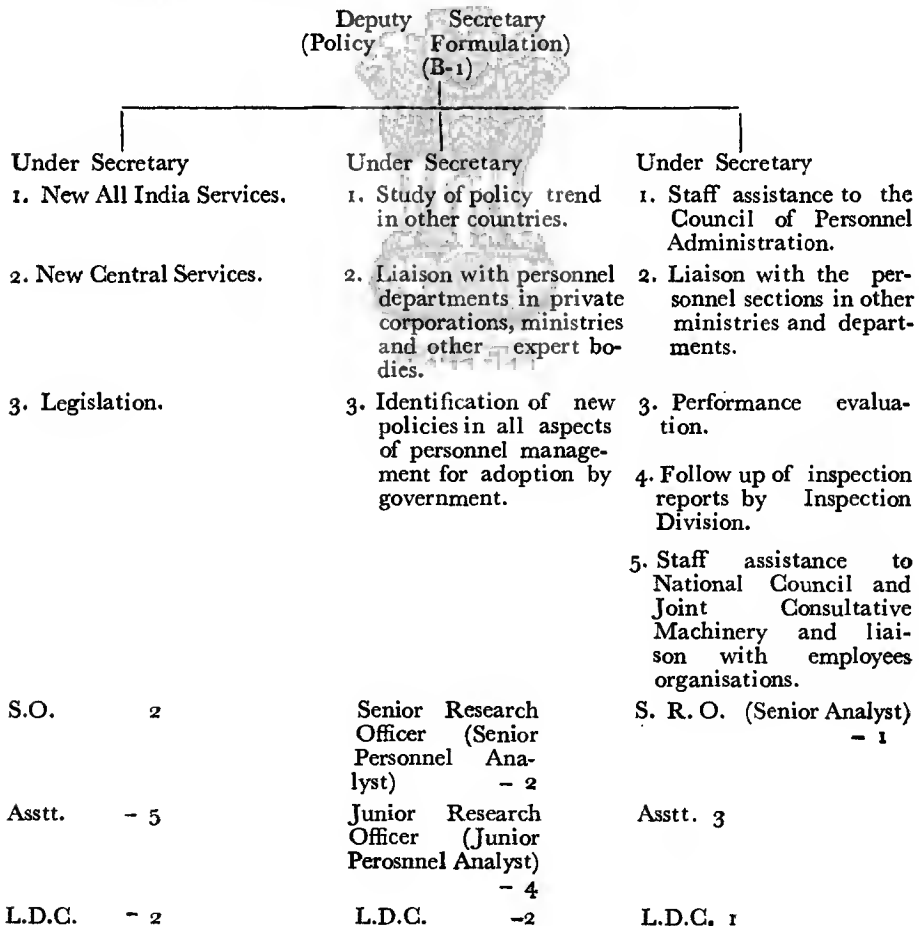
## III

### B - Policy Wing

9. This wing will be responsible for keeping under constant review the overall policies governing personnel administration and for the formulation of new policies. It will have two divisions, Policy Formulation (B-1) and Policy Implementation (B-2), each under an officer of the rank of a deputy secretary.

10. The main functions of the Policy Formulation Division (B-1) will be as follows:

- (1) To undertake studies of comparative personnel systems, identify the content and implications of new personnel policies and their applicability to the Indian scene.
- (2) To consult universities, private corporations with personnel departments, other expert bodies, and state governments with a view to evolve new policies or changes that are needed.
- (3) To draft legislation, orders, reports and policy statements as necessary in respect of personnel management in government.
- (4) To conduct evaluation of policies from time to time with a special emphasis on cost-benefit relations.
- (5) To provide staff assistance to the Council on Personnel Administration including preparation of agenda, reports, data and memoranda.
- (6) To initiate proposals for the creation of new all-India services or central services.
- (7) To review major policy proposals received from other Ministries, other branches of the Department of Personnel, employee organisations and other sources.
- (8) The following organisation chart is suggested for the Policy Formulation Division:

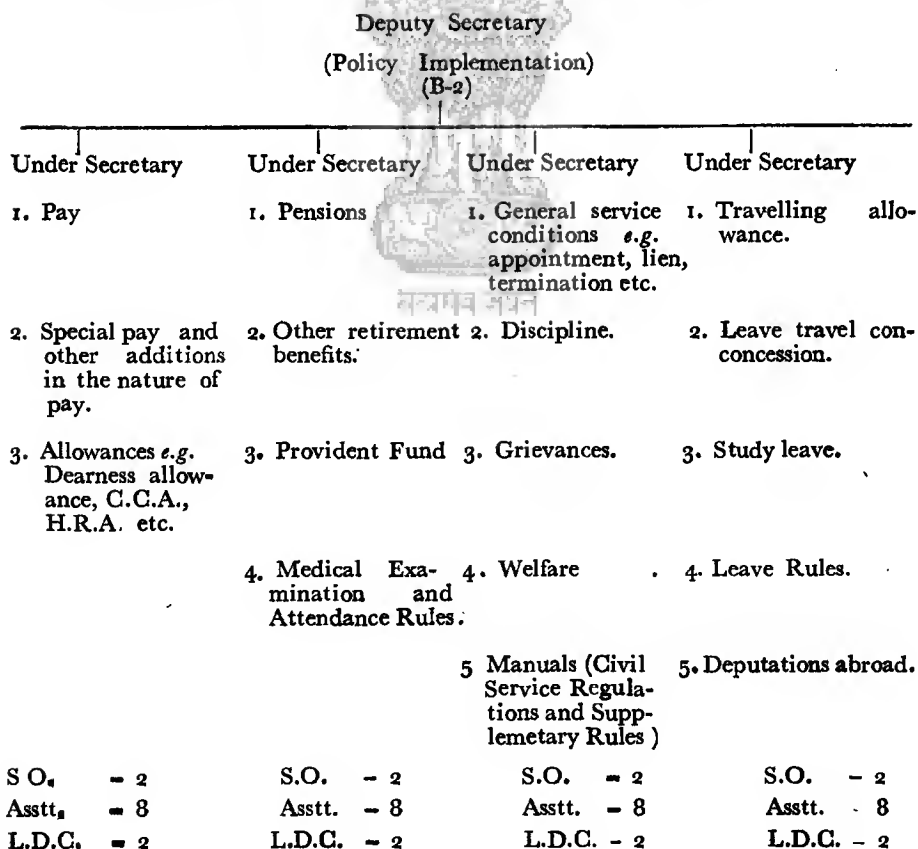


12. Except for the senior and junior research officers, the positions in this division do not call for any such specialised skill as cannot be acquired through experience and long association with the subject 'services'. The personnel now in charge of similar work in the Home Ministry should be able to fill those positions. It should be possible to select even the senior and junior research officers from among the existing personnel.

13. The Policy Implementation Division will be in charge of the following subjects:

- (1) To examine the existing rules and regulations and bring them in line with the broad policies approved by government.
- (2) To advise other ministries and departments on the interpretation of various rules and regulations.
- (3) To advise on departures from or exceptions to, the rules that may be required in specific cases.
- (4) To advise other ministries and departments in framing, amending and modifying their manuals on personnel matters.
- (5) To draft instructions and guidelines for use in other ministries and departments on such personnel matters as staff welfare, disposal of grievances, consultations with staff associations, etc.

14. The organisation chart for the Policy Implementation Division may be as follows:



15. As in the case of the Policy Formulation Division the required skills can be acquired through experience and long association with the work. It can be constituted by transferring to it the personnel now attending to similar items of work in the Establishment Division of the Finance Ministry and the Establishment Branch of the Services Wing in the Home Ministry. The posts of under secretaries can be filled in by persons who have had a spell in related sections in the Finance Ministry since most of the rules they have to administer have financial implications. The choice of the Deputy Secretary need not, however, be confined to that category and may be chosen from among those with a broader administrative background and training.

#### IV

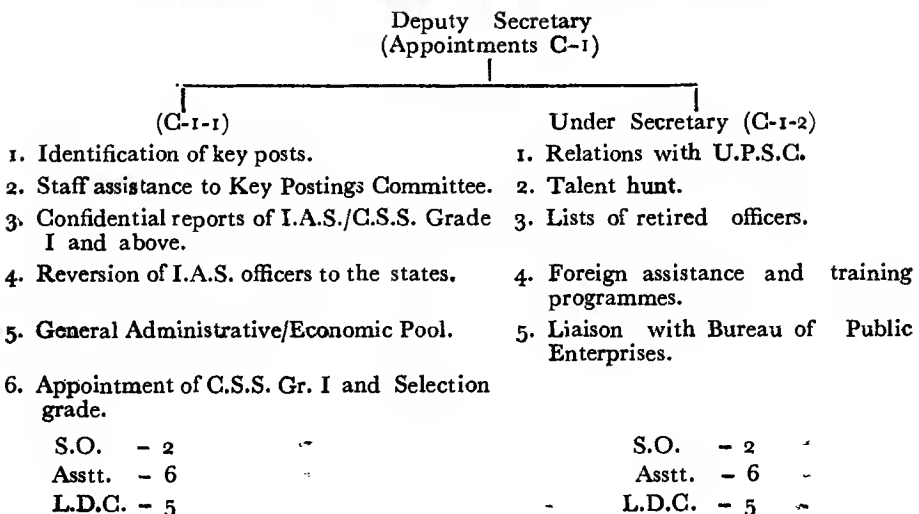
##### C- Career Systems Wing

16. This wing will be responsible for identification and staffing of key posts, for conducting relations with U. P. S. C. and the Bureau of Public Enterprises and for talent hunting. It will also be responsible for the management of the Indian Administrative Service and the Central Secretariat Service. It will have two divisions, Appointments and Cadre Management, each under an officer of the rank of deputy secretary.

17. The main functions of the Appointments Division will be as follows:

- (1) To identify and recommend positions to be included in the list of key posts.
- (2) To advise on the qualifications required for each key post and the services or other sources from which panels may be developed.
- (3) To provide staff assistance to the Key Postings Committee and to take follow up action for the final processing of key appointments.
- (4) To look after Government's relations with U.P.S.C. and maintain close liaison with it.
- (5) To liaise with the Bureau of Public Enterprises in regard to all matters of personnel in general and key appointments in Government undertakings in particular.
- (6) To hunt constantly for talent by identifying positions requiring qualifications not easily available in Government; by developing systems and methods to spot the needed special talents not only among government services and public enterprises but also the employees of universities and the private sector; by preparing and maintaining panels of persons with needed skills and talents with reference to the needs of Government.
- (7) To liaise with ministries/departments and sponsoring agencies on foreign assistance and training programmes in the field of administration.

18. The following organisation chart is suggested for the Appointments Division:



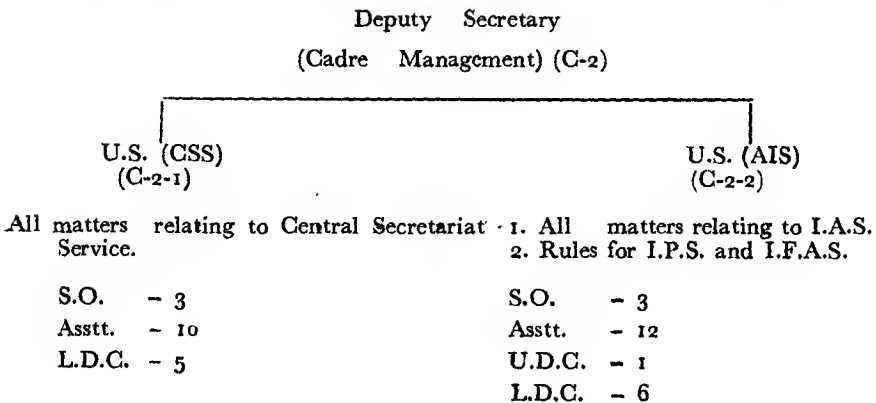
19. The present practice in the Home Ministry appears to favour a direct relationship between the joint secretary in charge and the sections dealing with appointments. There is merit in this practice as it is desirable to limit the number of persons handling papers of this nature. Moreover, it is not likely that the contributions at the level of the under secretary and even deputy secretary in these cases will be of much significance. It is on these considerations that the post of [under secretary has been omitted at C-1-1- in the chart. While the deputy secretary will be of assistance in all such matters as require examination at length or in depth, joint secretary can take work on other items directly.

20. The existing staff in the services wing of the Home Ministry are very well experienced in this kind of work. No special training or orientation is required except perhaps in regard to those who are entrusted with the new function of talent hunt. It may be necessary to develop an efficient system of card indexing of available talent for matching readily persons and positions. A short course should do for the purpose in view.

21. The main functions of Cadre Management Division will be as follows:

- (1) Management problems from the initial stage of recruitment onwards to I.A.S. and Central Secretariat Service (Grade I and above), in close collaboration with the state governments and central ministries respectively.
- (2) Framing specific rules for I.A.S., C.S.S. and rules common to other All India Services.
- (3) Manpower planning for the I.A.S. and C.S.S. by periodical reviews of the cadre strength in relation to the projected needs of the state governments and the central ministries.
- (4) Questions regarding pay, seniority, promotions, transfers, grievances, etc. of individual officers of these services.
- (5) To frame rules and otherwise manage all the centralised aspects of the decentralised cadre of the various central secretariat services, viz., Central Secretariat Service, Central Secretariat Stenographers' Service, Central Secretariat Clerical Service.

22. The organisation chart for the Cadre Management Division will be as follows:



23. Both the branches are the exact replicas of the corresponding branches presently in position in the Home Ministry. No special skills or training such as are not available in the ministry is envisaged.

**D - Development Wing**

24. This wing will be responsible for promoting research in personnel administration and for developing plans for training and executive development programmes. It will also conduct research and carry out studies on its own, particularly in regard to governments' manpower requirements. Similarly in regard to training it will directly conduct some programmes besides advising and encouraging others. It will have two divisions, Planning and Research, and Training and Development, each under an official of the rank of director.

25. The main functions of the Planning and Research Division will be as follows:

- (1) To allot grants to universities and other institutions for long range research into personnel management problems including leadership, organizational structure, and productivity.
- (2) To conduct research with its own staff on problems of immediate concern to the Department of Personnel such as: development of employment tests and the validity of academic examinations, conducting attitude surveys, devising new performance evaluation forms, analysing causes of poor attendance or tardiness, analysing career patterns and recommending changes in them, improving interview techniques, and improving application forms.
- (3) To collect from ministries and departments data on types of persons employed, by level and category, and estimates of future needs for recruits to the government service and project future manpower requirements.
- (4) To collect data on potential supply of recruits to the government service and their quality, project shortages or over-supply and recommend action.
- (5) To develop suitable proposals for use by service and cadre managers in government on specific questions such as staff welfare, assignment systems, methods for ranking by merit, seniority, position classification, etc.
- (6) To evolve a suitable system of job grading and classification with a view to facilitate specialisations wherever necessary thus ensuring optimum utilisation of personnel; to devise classes and class series of jobs and to advise ministries and departments on request in such matters.

26 The work of this division being different in nature from that of the usual secretariat divisions, it is not appropriate to follow the normal hierarchical pattern. It is suggested that there should be four chiefs, each in charge of a specific subject. Four main subjects have been identified and they are research, advisory services, manpower planning and career plans. The following staffing pattern is recommended for this division:

<i>Research</i>	
Chief . . . . .	1
Research grants administrator . . . . .	1
Research psychologist . . . . .	3
<i>Advisory services (job analysis, etc.)</i>	
Chief . . . . .	1
Personnel management analyst (per sonnel systems) . . . . .	1
Personnel management analyst (professional and scientific occupations)	2
Personnel management analyst (technical occupations) . . . . .	1
Personnel management analyst (managerial occupations) . . . . .	2
Personnel management analyst (clerical and other related occupations)	4
Personnel management analyst (skilled and unskilled labour) . . . . .	4

*Man-power planning*

Chief . . . . .	1
Personnel management analyst . . . . .	1
Statistician (Project Director) . . . . .	1
Senior statistician . . . . .	1
Assistant (statistics) . . . . .	1

*Career plans*

Chief . . . . .	1
Personnel management analyst (professional and scientific occupations)	2
Personnel management analyst (managerial occupations) . . . . .	1
Personnel management analyst (clerical and related occupations) . . . . .	1
Personnel management analyst (skilled & unskilled labour) . . . . .	1

Supporting staff (clerical, stenographic etc.) should be provided on a suitable scale for each of the branches.

## 27. Qualifications required for personnel in the Planning and Research Division

- (1) The Research grants administrator should have a general knowledge of all personnel areas, including recruiting, placement, promotions, career planning etc. He should be familiar with university organisations and research planning and be capable of analysing proposed research projects to determine if they will accomplish desired goals. He should have some knowledge of financial administration, but this is a secondary requirement.
- (2) The Research psychologist should be an "applied psychologist" capable of developing tests of aptitude and abilities; capable of designing surveys and other tests devices related to attitudes, performance, grievances, etc. They should also be knowledgeable in employee relations and interviewing techniques. It would be desirable for each person to be competent in several areas, rather than hiring a number of psychologists of high skill level in only one or two limited fields.
- (3) Personnel management analysts should have a general knowledge of the various fields of occupations existing in government and should know the kinds of duties to be performed in jobs within the fields and of the kinds of education, training and work experience which would prepare people to successfully perform those jobs. The analyst concerned with professional and scientific occupations must know the specialised jobs in government in these areas and must be well acquainted with the kinds of education and work experience which prepare people to fill these jobs. The chief and the personnel management analysts concerned with the job analysis must have wide knowledge of occupations, be skilled in the analysis of the duties and responsibilities of positions and be able to draft descriptions of classes and class series. They must, therefore, have considerable training and experience in this field.
- (4) The statisticians should be persons well qualified to make general and specific surveys of man-power needs, man-power availability (man-power meaning highly skilled professional people as well as others) and must be capable of generalising from survey data and of writing clear reports.
- (5) The personnel management analyst in Career Plans must be of the nature described above, with specialised experience in the four sub-fields identified.

28. The Training and Development Division will perform the following functions:

- (1) To provide advice and consultation to all services and cadre managers and training institutions on the identification of training needs and the conduct of the training programmes.
- (2) To collect and maintain information on training programmes planned by different departments, and to take steps to ensure that uneconomical duplication does not occur.
- (3) To conduct studies to determine multi-department training needs and develop suitable inter-departmental training programmes.
- (4) To develop and conduct training programmes of a pilot or demonstration nature to illustrate the value of a given programme and to provide an opportunity for service and cadre managers to observe such programmes and to assist departments in adapting such demonstration courses to their specific needs.
- (5) To design, promote and conduct executive development programmes and supervisory training programmes for officials at the deputy secretary level and above, or for persons in comparable positions, particularly those belonging to the All-India Services and the C.S.S.
- (6) To design, promote and conduct programmes to equip personnel in all ministries and departments and ancillary institutions to administer and conduct programmes of training in personnel administration in general and executive development in particular.
- (7) To handle all matters relating to National Academy of Administration and Central Secretariat Training School.
- (8) To maintain liaison with state governments and autonomous training institutions with a view to utilise the existing facilities in the best possible manner.

29. The observations made in para 26 in regard to personnel in the Planning and Research Division apply with equal force to those in the Training and Development Division. The following organisation is recommended for the Training and Development Division:

*Branches*

Inter-departmental training	Chief	1
	Deputy chief (advisory services)	1
	Assistant chief (clerical training)	1
	Assistant chief (paper work management).	1
	Assistant chief (work study)	1
Training of all-India Services	Chief	1
	Assistant chief (state training)	1
	Assistant chief (common and refresher course).	1
	Assistant chief (case studies)	1
Executive development	Chief	1
	Deputy chief	2
Training of trainers	Chief	1
	Deputy chief	2

In addition, suitable supporting staff will have to be provided, particularly in the first two branches which involve administrative functions in relation to ancillary and attached institutions.

30. The subject-matter trainers *i.e.* Assistant Chiefs (Clerical training, paper work management and work study) must themselves be well trained in the field in which they are to conduct training. In addition, they should be up to date on modern methods of adult instruction, use of visual aids, motivation of adult learners, and means for evaluating training programmes.

The personnel in the second branch (Training of all-India Services) will have no direct responsibility for conducting courses as there are already well-established bodies for the purpose. Their main function is to ensure the smooth running of these institutions. They must be persons with experience of work in the services concerned with an aptitude for the training function. Assistant Chief (case studies) should be a person who has undergone training for that purpose.

The Chief and the Deputy Chief in the Executive Development Branch should be persons having a wide governmental background who would be capable of becoming programme directors - that is, they would identify the training needs of senior officials, design curricula for them, select instructors and conference leaders from government, business and university sources, select teaching materials from a wide variety of sources, and see to it that the courses are lively, interesting, and instructive.

The trainers who train other trainers must be experts in the training of adults. They should have a sound understanding of individual psychology and group sociology; they should be skilled in the identification of training needs, by types of employees, in large organisations. They should be able to teach others how to motivate on-the-job learning and how to train supervisors to conduct on-the-job instruction. They should be proficient in teaching the use of teaching media books, articles, programmed instruction, slide projectors, overhead projectors and movie pictures. They should be able to teach job analysis for instructional purposes. They should be able to demonstrate how courses are constructed and how training programmes for large organisations should be developed and maintained.

## VI

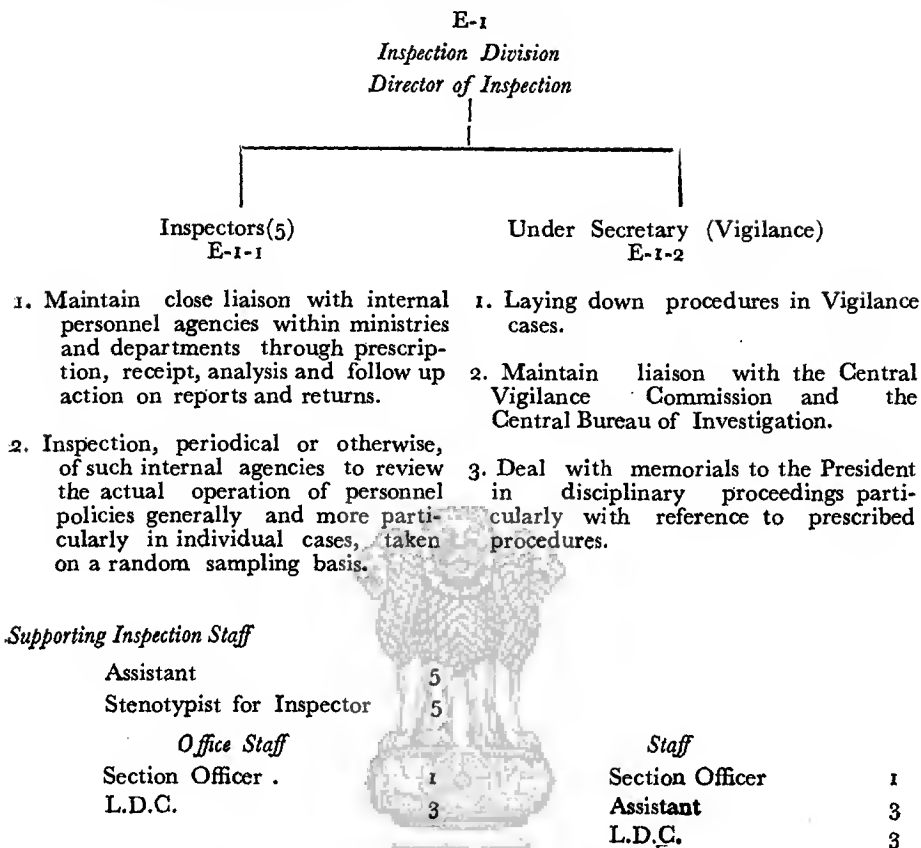
### **E - Inspection and House-keeping Wing**

31. This wing will conduct overall reviews of personnel operations in all ministries and departments, post audits of sample cases and perform vigilance functions. It will also provide administrative (house-keeping) services for the Department of Personnel. It will have two divisions, Inspection and House-Keeping, each under an officer of the rank of deputy secretary.

32. The main functions of the Inspection Division will be as follows:

- (1) To collect information on the functioning of personnel agencies in all ministries and departments through a system of periodical reports and returns.
- (2) To review the operation of personnel policies in all ministries and departments at stated intervals and at such other times as may be considered necessary by the Department of Personnel or the department concerned.
- (3) To inspect individual cases on a random sampling basis to ensure that cases are handled in accordance with the policies and regulations framed by the central personnel agency.
- (4) To formulate vigilance policies and maintain liaison with the Central Bureau of Investigation and the Central Vigilance Commission.
- (5) To process memorials addressed to the President under the disciplinary rules particularly with reference to prescribed procedures.

33. The following organisation chart is suggested for E-1.



34. The work to be transacted in this division clearly falls into two distinct categories. It is important that the inspection unit should be staffed by persons who are well grounded both in the broad policies formulated by the Department of Personnel and also in the rules framed by it. The Director of Inspection, while he should certainly possess administrative experience of a general nature, should also have a flair for developing tools of inspection. The Inspectors proposed for the division will be the main instruments through which the work of inspection of the internal personnel divisions of the ministries would be carried out. This staff should be selected after assessing their knowledge of personnel administration and their capacity to comprehend and interpret rules. Great care has to be taken that the inspecting staff does not distort the purpose of these inspections by making them ritualistic. It is important that these inspection reports are treated as secret and communicated urgently to the secretary of the ministry/department where the inspection has been done. The personnel for staffing this division can be drawn from the secretariat e.g. those with experience of establishment work in the Ministry of Finance and the Ministry of Home Affairs. While the Director will be of the rank of a deputy secretary, the Inspectors will be of the under secretary's rank. The Inspector will be the leader of the team of inspection. The Director should draw up in advance a programme of inspections for the Inspectors.

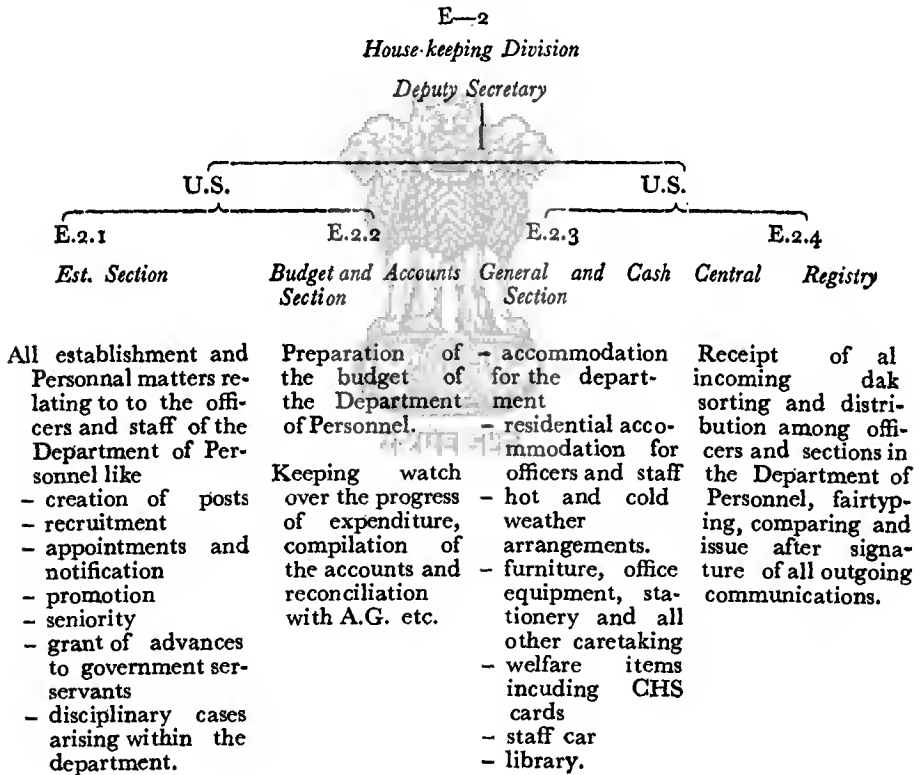
The staff in the category of section officers, assistants and clerks proposed for the inspection side would not need any specialised skills, since the intention is that they should assist the Director and the Inspectors in attending to liaison work with the departmental agencies, tabulation and analysis of reports and returns prescribed for submission to the Department of Personnel.

The section dealing with vigilance and memorials also would not need any specialised skill except that the basis on which the ministerial staff is selected for the former should be that they should have had experience of handling vigilance cases in the Ministry of Home Affairs.

35. The following will be the functions of the house-keeping division:

- (1) To attend to all personnel matters relating to the officers and staff of the Department of Personnel, like creation of posts, recruitment, appointment, promotion etc.
- (2) Preparation of the budget of the department and compilation of office accounts.
- (3) Looking after office accommodation, furniture and equipment etc.
- (4) Organising common services like staff car, library, receipt and distribution of incoming dak, fair typing and issue of out-going dak.

36. The following organisation chart is suggested for the House-keeping Division



*S t a f f*

S.O.	1	S.A.S. Accountant	1	S.O.	1	S.O.	1
Asstt.	1	(on deputation)		Cashier	1	Typist	3
U.D.C.	1	Asstt.	1	U.D.C.	1	Comparer	1
L.D.C.	2	U.D.C.	1	L.D.C.	2	Despatcher	1
		L.D.C.	1	Librarian	1	Receipt Clerk	1

37. The House-Keeping Division of the department will essentially be the internal personnel office of the Department of Personnel corresponding to the internal personnel division envisaged for the different ministries. The officers and staff of this division should consequently have the same aptitude, training and skills that the Department of Personnel would like to prescribe in respect of such internal agencies. This would underscore the importance of the deputy secretary, the under secretary and possibly the section officer also possessing adequate understanding of the methodology of progressive personnel management. To entrust this division to men whose experience and ideas do not go beyond what is traditionally called establishment work would create an odd situation in which the personnel administration of the Department of Personnel would provide more amusement than inspiration. For staff like the assistants and upper division clerks the type of training that is given already in the Secretariat Training School and the specialised training given for accounts clerks should be sufficient. In the case of the Budget and Accounts Section, it need not be placed under a section officer as is the usual practice, but under a S. A. S. accountant.

## VII

### **Training programmes for professional staff members employed in the Department of Personnel**

38. If the Department of Personnel is to properly serve as a nodal agency, and if it is to provide leadership for Government in personnel administration, it is essential that the departmental professional staff members should be well equipped to perform their duties. It is recommended that the first undertaking of the department should be to adequately train its own staff members. An outline of the training recommended is given below :

*All professional staff members.*—One week's intensive survey programme on personnel administration.

*Policy formulation division.*—One week's intensive programme, reviewing existing policy, implementing instruction, and arrangements for management of cadres and a two day programme on effective writing.

*Policy implementation division.*—One week review course as recommended for personnel in the Policy Formulation Division, the two day effective writing course recommended for personnel for the same division, and a one week course devoted to procedures writing and manual information systems.

*Appointments division.*—One day devoted to the work of the Key Postings Committee, U. P. S. C. and the Bureau of Public Enterprises, with particular reference to relationship with the Department of Personnel, two days on the writing and evaluation of job descriptions and two days on personnel qualifications analysis.

*Cadre management division.*—A two day programme on management of the various cadres, probably conducted by the deputy secretary in charge of this division. A two day programme on manpower planning.

*Planning and research division.*—A one-week seminar devoted to the functions of this division. It is probable that all professional personnel in this division will require additional training. The kinds of competence required in the positions in this division would normally be developed by a combination of (1) academic training; (2) self-development activities such as reading, participation in professional organization and participation in training programmes; and (3) a variety of job experiences. Decisions as to the training to be given to each staff member can realistically be made only after a review of the individual's background. For those staff members concerned with job clarification, a two week programme of training on the subject would be desirable.

*Training and development division.*—A one-week course on identifying training needs and on designing and conducting training and executive development programmes. A one-week course, using case studies and demonstration programmes, on the design and conduct of training and executive development programmes. As in the case of the Planning and Research Division, an assessment will have to be made of each professional staff member's background to determine additional training required.

*Inspection division.*—It is assumed that personnel to be assigned to this division will have previous experience in the work of the Division and training other than the one week survey programme for all personnel, will not be required.

*Housekeeping division.*—The same assumption regarding previous experience is made for the House-Keeping Division as is being made for the Inspection Division. It might be claimed that personnel in the House Keeping division would not require the one week survey programme, but it is recommended that all professional staff involved in it participate in that programme.

## VIII

### **Functions of personnel offices in ministries and departments**

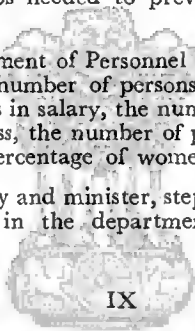
39. Sound personnel administration is the management of employees in such a way that a ministry or department attains its mission effectively and efficiently. Experience shows that these objectives are best accomplished through training and counselling officers in the management of their human resources and in the development of sound human relations. Each ministry and department needs well trained employees in personnel administration to assist officials from the secretary down to the lowest level supervisor in resolving the problems encountered in obtaining the highest possible quality and quantity of work.

This report recommends the establishments of a personnel office in each independent department or ministry having 500 or more employees. Smaller independent departments should designate a person who will specialise in personnel matters, even though this may not be his full time work. As soon as feasible, such personnel offices should be staffed by professionals who have special knowledge of pertinent subjects such as organizational psychology, personnel management, evaluation, position classification, testing methods, as well as personnel policies, procedures and practices.

The functions to be assigned to a Personnel office are:

1. Interpreting and applying policies, rules, regulations, procedures, and instructions on personnel matters issued by the Department of Personnel or other competent authority.
2. Managing of cadres for which the department or ministry has responsibility.
3. Processing appointments ; for example, ascertaining need for employees, maintaining liaison with Union Public Service Commission and Department of Personnel to ensure timely availability of persons for appointment; participating in discussions on advertisements for hard-to-fill jobs and locating sources of likely candidates for such jobs ; interviewing candidates for positions ; checking accuracy of biographical information submitted by applicants ; supervising evaluation bar reviews and promotions; checking actions to make sure that laws, rules and regulations are followed.
4. Maintaining files on present employees.  
(Education, training, experience, skills, etc.)
5. Allocating positions to classes and grades established by the Department of Personnel.

6. Determining appropriate salary scales under existing authorities for employees on appointment, promotion, or deputation.
7. Processing grievances and disciplinary matters.
8. Advising secretary and all officers with supervisory responsibilities on administrative matters which affect human relations and productivity; consultations with staff associations.
9. Supervising provision of staff welfare, checking adequacy of space and other working conditions, and facilitating better safety practices; informing employees of their rights and benefits.
10. Assisting officers in preparation of performance standards and performance evaluations and maintaining annual performance reports.
11. Analysing employee training needs, assisting officers to improve on-the-job training and to motivate employees to self development; establishing needed training courses, providing instructors for courses, publicising such courses to employees and their supervisors and conducting courses.
12. Maintaining liaison with colleges and other training institutions to encourage the offering of courses for present or prospective employees as needed.
13. In conjunction with other offices, making studies of work flow and work operations in order to develop better ways of doing work.
14. Advising officers on steps needed to prevent corruption and other undesirable practices.
15. Reporting to the Department of Personnel such things as : anticipated needs for employees by type, number of persons appointed by type of work, the number of advancements in salary, the number of persons who advance from one class to a higher class, the number of persons in employ from scheduled castes and tribes, the percentage of women employees.
16. Reporting to the secretary and minister, steps that should be taken to improve personnel management in the department or ministry.



### Conclusion

40. In the preceding paras an attempt has been made to describe in some detail how the Department of Personnel can be organised and staffed. The functions listed against each division and branch should not be considered exhaustive. The intention has been to highlight some of the more important functions. Some others relating to them or growing out of them may have to be added as their ambit of activity expands. No small part of the success of this department will depend on the type of personnel who are drafted into it. It would be a pity, if a creative concept like the Department of Personnel, when it seeks institutional expression, is indistinguishable from any other department because the wrong men are presiding over its destiny. Although several branches can be confidently filled in by those who are doing similar work in the existing departments or ministries, it would be important to put as many of them as possible through orientation courses outlined in section VII of the report, even at the very beginning. It will not be difficult to plan these courses well in time.

Sd/- Ross Pollock

6-5-1967

Sd/- M. Ramakrishnayya

6-5-1967

Sd/- Harry R. Seymour

6-5-1967

Sd/- G. R. Nair

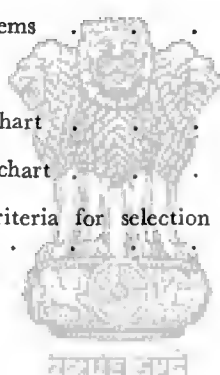
6-5-1967

SPECIAL ANNEXURE C-2

(Para 5.8)

**Report on the Department of Administrative Reforms by C. James  
Gardner, U.N. inter-regional Adviser in public administration**

Sections	Page
Preface . . . . .	169
Summary . . . . .	170
Explanatory notes . . . . .	170
I The nature of a management advisory service . . . . .	170
II The location of the service . . . . .	173
III The origin of advisory work . . . . .	173
IV The scope of the department and the organisation and staffing implications . . . . .	176
V Staffing problems . . . . .	183
<b>Appendices</b>	
1 Existing organisation chart . . . . .	187
2 Proposed organisation chart . . . . .	188
3 Details giving certain criteria for selection and development of specialists staff . . . . .	189





सत्यमेव जयते

## Preface

On request of the Government of India to the United Nations, the writer left New York on 27 February 1967, for three to four weeks in New Delhi to advise on the organisation, techniques of work and methods of manning in the Department of Administrative Reforms. This advice was to cover such factors as (a) the scope and nature of the activities of the department, (b) its status, location and organization (c) its relationships with ministries/departments and the states, and (d) the problems of establishing and maintaining a suitably trained corps of O and M Officers in the government service generally. The aim of the study and advice was to improve the working of the department, particularly in the context of the task it may be called upon to do after the submission of the report of the Administrative Reforms Commission, set up in January 1966 to examine the public administration of the country and to make recommendations for its improvement.

As the reports of the Administrative Reforms Commission will not be completed for some time it was not possible to be guided by its conclusions. However, during the course of this study, access was made available to the report dated March 1967, of the study team appointed by the Commission on the subject of the Machinery of Government of India and its procedures of work. This was useful in that it indicated among other things, the place and functions of the Department of Administrative Reforms, as the study team saw them, in the future.

Prior to leaving New York the writer received some well prepared notes on the assignment, the constitutional and organizational set up in the Government, the growth of O and M and the Department of Administrative Reforms, the organization of the Department, the Ministry of Home Affairs and the Administrative Reforms Commission. While there was not much time to study this material closely before leaving it was very useful as a source of reference during the study.

On arrival in New Delhi Mr. P. K. Kathpalia, Deputy Secretary, was the writers' liaison officer. He and Mr. A. D. Moodie, Resident Director, Hindustan Lever Ltd., and Mr. S. S. Puri, Secretary, National Co-operative Development Corporation, constituted a panel to discuss the substance of the study at different stages. Meetings were held on 3, 7, 18 and 27 March 1967. In between these meetings the writer had discussions with the Joint Secretary, Mr. N. K. Mukarji, the other Deputy Secretaries, Messrs. A. N. Biswas, G. P. Shahani, G. R. Nair and Under Secretary S. M. Chickermane. All these discussions were very useful in giving some orientation on the past and present work in O and M, the work of the department and the Indian Government systems of recruitment, classification and promotion of staff.

During these discussions, the writer often felt that these officers could have given advice equal to or better than that which appears in this report and that his contribution has been only that of an objective observer producing a series of draft papers to focus discussions on different aspects of the problems involved. In general, views coincided but as the above-mentioned officers had no part in writing this report they cannot be held responsible for any inadequacies in the way these views have been presented.

The writer would like here to express his gratitude not only for the co-operation and interest of all officers but also for the excellent facilities made available to him in this work, not the least of which was the excellent secretariat service given by Mr. S. R. Batra which often involved long and late hours rushing out lengthy draft papers at short notice for the series of meetings.

### Summary

A central organization and methods activity was started in the Indian Government in 1954. It was located in the Cabinet Secretariat until three years ago when it was incorporated with the Department of Administrative Reforms, in the Ministry of Home Affairs. One year ago this department became involved in preparatory studies required for the Administrative Reforms Commission. In this process, and largely as a result of the general staffing structure and procedures, the O and M was not able to build up the degree of specialization necessary for the successful growth and development of its activity. While generalists were engaged and trained in the specialities concerned, they soon moved on to other more general administrative posts and the process of development was restricted. While O and M units were set up in departments, the lack of support from a strong central O and M, and perhaps some lack of appreciation of the activity as it was constituted, did not improve the status and operation of these units.

The proposals made are aimed at the reconstitution of a strong central O and M activity to be re-located in the Cabinet Secretariat, as recommended in the report dated March 1967 of the study team on the Machinery of Government of India, and to be suitably staffed at an appropriate level. Proposals are made for the basic development of specialisations, their adaptation to the existing staffing structure and for their continuity in development. Proposals are also made for a stronger O and M training activity which in conjunction with the specialized branches will provide for a continuous flow of well qualified O and M officers both for the centre, the ministries and the states. Proposals are also made for the continuous promotion and co-ordination of all O and M activities in the future. The activity is combined with the administrative reform activities flowing from the work of the Administrative Reforms Commission in such a way that both will be co-ordinated and yet receive such special and exclusive attention that each will require.

### Explanatory notes

The terms "administration" and "management" are being used more and more synonymously. While "administration" has traditionally been applied to the conduct of public affairs and "management" to the conduct of business enterprises, there has been a tendency in recent times for the latter term to be used more and more in public affairs. This is probably because of the increasing application of business management practices in the field of public administration. As the comments which follow will be concerned primarily with the intensification of the use of these practices, the term "management" will be used frequently where some people would prefer the term "administration," and *vice versa*.

The terminology used in describing the levels of activities, *i.e.* "wings", "divisions", "branches", "sections" approximates that used in the Indian Public Service. They correspond generally with positions of "Joint Secretary", "Deputy Secretary", "Under Secretary" and "Section Officer", respectively. The position of "Director" is also occasionally used and is slightly higher than a "Deputy Secretary".

The positions in the proposed organization have, as far as possible, been geared to the existing class structure which is designed primarily for generalist administrators. In practice, because specialisations are involved and are usually at a premium, some departures may have to be made to obtain the appropriately qualified and relatively scarce specialist officers.

### I

#### The nature of a management advisory service

1. The Department of Administrative Reforms in future should be conceived as an advisory service to promote improved conduct of public affairs largely by the application of more advanced management practices. As with medical advice for

improved health, it may be given in three ways. Firstly, the patient may request advice because of a particular illness. Secondly, the advice may not be requested but it may arise from a medical check-up, which may be either compulsory or voluntary. Such advice usually refers to specific weak spots which need curative or preventive treatment. Thirdly, a medical advisory service will organise campaigns and produce lectures, demonstrations, literature and posters to inform all people in the community on how they may deal with common ailments, how they may identify symptoms of disease, and to exhort them to seek medical attention as a preventive measure.

2. The following criteria are essential for a successful and continuing advisory service :

#### *Quality of the advisory service*

3. This hinges on the qualities of officers directing and doing the work. A busy manager calls in an advisory service because he or his own staff have not either the time to carry out exploratory and detailed studies of a problem, or the highly specialized knowledge of a particular aspect of management that would enable him to arrive at the solution relatively quickly. He will only call on such assistance if he has confidence in the people who give such service. Because of his own shortage of time he must be able to depend on such service being well directed and thoroughly done. He himself, must only find it necessary, to be engaged in the service briefly at the beginning, at intermittent intervals to be assured that things are progressing well, and at the end when there are clear and firm conclusions and a practical plan of action which can be implemented without adding to his management workload. He will want to be fully assured of effective results.

4. This places a heavy demand on those who give the service. They must be able to familiarise themselves quickly with the work being done in the particular area concerned. They must be generally knowledgeable of the relationship of the work being done to related areas of work in the particular ministry and government generally. They must have highly specialized qualification in the particular aspect of management concerned. For example, if the work involves financial matters, they must possess good professional qualifications and experience in this field. If the work includes planning they must know and have experience in a variety of planning techniques etc. It is important that they have suitable personal qualities among which are (a) a demonstrated interest in management improvement (b) a strong sense of integrity and loyalty (c) a great deal of innate initiative (d) a willingness to work hard (e) a broad and imaginative understanding of a range of administrative skills (f) an ability to see things in perspective, as a whole as well as in detail and (g) a great deal of patience and persuasiveness. They should have good general experience in government work. If some of the advisory teams are relatively junior officers who cannot be expected to have all the qualifications necessary, they must be well and closely directed by a more senior officer in the advisory service who does possess these qualities.

5. Shortcomings in the quality of the advisory service will make the customer and his officers reluctant to use it.

#### *Speed of accomplishment*

6. In spite of the fact that requests should specify the symptoms of the problem area, advisory studies usually require the review of a great deal of detail and this along with the formulation of conclusions, the preparation of implementation plans and the necessary reporting and obtaining authoritative acceptance before implementation, can spread over a long time. When several advisory studies are being conducted at the same time with a limited number of officers, the time span from start to completion on any one assignment can be lengthened even further. This delay can be irritating to the customer, can cause him to lose interest, and can cause him to be reluctant to request the service another time. Therefore, it is important, in the

planning of survey work, to have officers who have exceptional judgment, so that only relevant factual data is gathered, and so that work is accurately planned and scheduled. It is also necessary to avoid, if possible, the overlapping of surveys and to take all steps possible to see that full-time attention can be given to each assignment up to its completion. The customer should be given some idea as early in the assignment as possible of when results may be expected, and should be kept advised of inevitable delays and changes in schedule. It may be that the delays are caused in his own organisation and therefore he may be able to do something about them. At least his interest will be maintained and he will not be under any illusions as to the timing of the completion of the project. This may be important to him in his own planning.

#### *Confidentiality of advisory service*

7. An advisory service should be given on request of the authority or authorities in charge of the activity which is being surveyed. These usually do not want the publicising of the fact that they have problems, let alone of the fact that they are asking someone else to solve them. Such publicity in itself may discourage them from requesting service. Even if the fact that they have requested service is no problem to them, it is not likely that they would welcome publicity of internal inadequacies that might be exposed by means of a report. While reports should not be written, like inspection reports, in a way that accentuates inadequacies, and though reports should be agreed upon, it is not always possible to avoid such publicising of inadequacies by implication. In any case, here is a deterrent to the free and willing use of advisory services and it should be avoided.

8. In some exceptional instances it may be advisable to have no written report on record, for example, when there are personality issues and it would be quite adequate to discuss them with those concerned. In other instances reports might be marked "Confidential". This applies when it is advisable to put certain facts and conclusions on record but where they concern only one or two senior officials. In the majority of instances there should be no difficulty in reporting on the project as completely as is necessary so that all who have to read it and be guided by it will have adequate information at all times during the course of implementation. On certain projects it may be that it will be necessary to use all the approaches mentioned above.

9. Reports should be regarded as the property of those who requested the service, though a master copy should be retained in the offices of the advisory service. Distribution of copies of the report should be specified and sanctioned by the requesting authority. If it should happen that the advisory service wishes to use any report or any of the contents which would identify the requesting government agency, as for example in training courses or for the development of case study material for such courses, permission should be obtained from the requesting authority.

10. The minimum of exposure might be in the listing of projects in the advisory services own reporting of the work it has done, and this could be limited to the project number, the name of the requesting agency and the general nature of the project, along with such other information such as dates of request, starting date, completion date, man hours work, progress of implementation etc. etc. as may be required for future analysis and reporting.

11. The reports should not be distributed in any other way than through the agency concerned.

## II

**The location of the service**

12. An advisory management service to all parts of the public service should be located at top management level so that it may serve all parts of the public service without favour and always be kept oriented to the whole rather than to any one of its parts. This is a generally accepted principle, but one not always followed in practice for the usual reason that top management tends to be loaded with too much already. However, wherever there is divergence from this principle it will usually be found that the advisory service is in difficulties. When it is attached to a personnel agency, it is naturally identified with personnel control and the directing influence of the agency may in fact exert undue influence in that direction. If it is in a financial agency the same condition applies. If it is in an administrative services unit, outside of personnel and finance, it may be confined to only those services and thus be limited in capability and scope to deal with major and broader problems of management.

13. One apparent solution to this problem is that if the activity is set up on a statutory basis and clearly specified as an advisory service to all parts of the government, it can be attached for administrative purposes to any ministry and operate as a semi-autonomous body. However, the facts remain that this puts two different hats on the head of the minister involved, and it does not contribute to the impression, so important to maintain, that this is an all-government agency.

14. Another solution is that the service could be attached as a secretariat or part of a secretariat to the Cabinet dealing with public administration in its broadest sense. This is the location recommended in the report dated March 1967 of the study team on the Machinery of the Government of India. This location would be most appropriate psychologically as well as in theory.

15. In practice, a well managed advisory service should not need much direction from above. There may be questions of priority of work on which the service may need some higher level guidance. The Cabinet Secretariat would probably be the best place to get it. This department, of all departments, should be able to plan its requirements in resources and staff, and to support these requirements beyond question, thus making the higher-level workload negligible. Eventually the store of knowledge and experience built up in this department could be a great source of strength to the Cabinet Secretariat. Thus the objection regarding workload is not a very forceful one and in view of the advantages in the interest of administrative reform, there is little doubt that the service should be located at the centre and top of the government organization.

## III

**The origin of advisory work**

16. To ensure the fullest use of the service there should be little, if any, restriction on who may request advice in one form or another. The one principle to be observed is that the request should come from an appropriate authority having responsibility for the activity area concerned. It would be wrong and it would cause unnecessary friction for one authority to request a survey which involved the activities of another parallel and separate authority.

17. Requests from Cabinet should be channelled through the Cabinet Secretary and should be unquestionable as to authority over any area of the public service. However, where such requests involve activities under ministers who are not part of the Cabinet it would be good practice for those ministers to be advised of the request by the Cabinet Secretary to solicit their full co-operation before such survey begins.

18. Where requests originate from a minister and concern some part of the ministry they would normally come from the secretariat of that ministry. However it may be that a request may come from a minister's private secretary if the work involved concerned the minister's office alone.

19. Where requests come from one minister and also involve the activities under other ministers care should be taken to see that the ministers concerned agree with and support the request.

20. Likewise, requests may originate in Cabinet committees or committees of secretaries and care should be taken to see that all ministers or secretaries whose activities may be involved have been advised of the request and that their co-operation has been solicited.

21. Where requests originate from lower levels within a ministry it may be necessary to establish distinctive practices which may vary from one ministry to another. For example, in some ministries it may be desired that all requests for service should be channelled through the Permanent Secretary for the purpose of screening such requests before they are released. This is most unlikely but the chain of command should be observed in establishing the practice to be followed.

22. Similarly, it may be necessary to establish the practice in departments, divisions and branches so that no level of management is ignored.

23. In negotiating the practices to be established with each ministry great stress should be laid upon the desirability for all levels of management (Permanent Secretary, joint secretary, deputy secretary and heads of attached offices) to be free and fully responsible for requesting management improvement advice directly from the advisory service so long as the activity being surveyed comes under their authority. Many ministries and departments may accept this basic principle of procedure as being the most effective and simple. However, there will still be a possible, and desirable, interest at each level in knowing what is going on at lower levels. This can be arranged by having the subsequent reports go to the levels above before implementation begins.

24. There may be requests from autonomous public agencies which are normally serviced by the Bureau of Public Enterprises which, however, may not be able to provide the particular specialised skills in administrative practices that may be available in the Department of Administrative Reforms. Such requests should be made known to the Bureau and in some instances it may be that both the Bureau and the Department of Administrative Reforms could engage joint teams to take care of particular requirements in autonomous agencies. It might be mentioned here that the Department of Administrative Reforms might on occasion find that it may wish to seek the co-operation of the Bureau of Public Enterprises skills to deal with problems in the regular public service.

25. The requests from states should principally be for advice and assistance in setting up their own advisory services, for training services and for information services. However, requests for particular surveys of problem areas should not be ruled out. They may be useful for demonstrating the significance of such work and they may on occasion be done in conjunction with the states O and M officers to provide on the job training.

26. All the above points indicate many sources from which requests may be made and indicate that a very heavy workload may develop. Whether this be so or not it should be the continuous responsibility of the Department of Administrative Reforms to be on the look out for areas in the public service where there is potential for improvement activity. It should bring these to the attention of the authorities concerned

and offer its services and co-operation in seeking a solution. Its own work programme may not at that moment allow much time to attend to such problems but it could assess the requirements and the priority and it could either schedule such work for future attention or seek other means of providing immediate service if such is necessary.

27. Rather than leave such instances as above to chance, the Department could also undertake a programme of planned reviews. This would be in the nature of preliminary reviews of the activities of a whole department or ministry conducted with the sole purpose of identifying areas where detailed studies would likely prove significant and effective in bringing about improvements. Such reviews would, of course, be suggested to the authorities concerned who, if in agreement, would issue the necessary request. Given the resources to handle such reviews and the detailed studies that may be developed, the request for a systematic review of ministries/ departments could be issued by Cabinet, if necessary, to ensure that the Department of Administrative Reforms has the opportunity to bring to light significant areas of need.

28. Requests for advisory services should be carefully screened. It will invariably be necessary to make a preliminary assessment of the work involved, and this should be done by a relatively senior officer, qualified in the specialised aspect of management involved. This should facilitate the following processing through which each request should be put.

29. The terms of reference for the task to be done should be stated in very clear terms. These terms will bind those who do the survey as to how far they are to go into the activities concerned, but in order to ensure that they review these activities in proper perspective there should be some general statement which allows them to do so. However, the specific job they are to do should be spelled out clearly with no ambiguity that could lead to misunderstanding on either side. It may often be found that the real job to be done does not correspond to the request. This must be clarified, and with both the preliminary assessment and the clarified terms of reference it should be possible to make a reasonably good estimate of the type and extent of work to be done, and so facilitate the preliminary planning and determination of time factors involved. This will be necessary for scheduling the job. The completed terms of reference should be agreed upon with the authority concerned.

30. In the preliminary assessment and working out of precise terms of reference, it will be possible to see whether or not the work to be done is legitimately advisory work. Some administrators may be tempted to call in a freely accessible advisory service on problems which arise because of the failure of those on the job to do the work they are being paid for. Preliminary criteria in this connexion are :

- (a) Are those in charge so loaded by day-to-day work load problems that they cannot be expected to find time to study the problem themselves and find the solution?
- (b) Are there factors in the job to be done which require more specialised knowledge of particular administrative practices than can reasonably be expected from those on the job?
- (c) Is there reason to believe that an objective view of the problem area is necessary and would serve a useful purpose? If the staffing on the job is inadequate in the quality necessary for the work, it is better to reorganize this at the start and get something done about it before spending time developing improved procedures and methods which will not, in themselves, solve the problem in the long run.

31. Possibilities of implementation should be assessed. If there is considerable improvement that could be achieved through radical changes, are these likely to be implemented by those in charge? Or do they want a "white wash" job, in the name of an efficiency survey, on a fundamentally inefficient operation? What will be the benefits from implementation in relation to the amount of time and work done in examining the problem area? These are the kinds of question that should be raised and answered in screening the requests for service.

32. Finally, such a screening operation should take into account the order of priority that should be given to a request. There will be a natural tendency to give priority to requests which come from the more important sources in the hierarchy. The danger in this is that the urgency of the request may not be particularly significant, and that the hierarchy, getting instant action on something that is not urgent, may get the impression that the departmental staff have little to do or little ahead of them. It is better to establish criteria for allocating priority to requests, apply them, and schedule requests accordingly, giving such explanation as may be necessary for any delays in either starting or completing a job. If service is not urgently required the work may be scheduled accordingly, advising the customer that a start will be made later rather than at the time of receiving the request. As requests may be irregular in their flow, it is useful to have a backlog of less urgent jobs to fill the slack periods. In general, criteria may be drawn up on the basis of :

- (a) First come, first served. This should be observed, if at all possible, in preference to disappointing the customer. It may mean doing everything possible to draw on other man-power resources for emergencies which threaten to interfere with the schedule.
- (b) Projects of which the results promise to be spectacular in savings or increasing effectiveness should be given greater priority as being of greater value to the government as a whole.
- (c) Projects which are of political significance will probably take highest priority. These criteria illustrate the desirability of the location of this activity in the Cabinet Secretariat where, in case of need, the necessary judgment may be made and confirmed.

#### IV

### **The scope of the department and the organization and staffing implications**

33. The activities of the department in the future can be grouped in three broad categories as follows :

- (a) Work in connection with the Administrative Reforms Commission. This work will probably spread over two years or more.
- (b) The establishment and maintenance of a stronger central management advisory service (or central organization and methods service) to promote improvements and do studies for the government as a whole (interministerial studies) and for ministries/departments which do not have their own O and M units or whose units are limited in scope or size to handle requirements.
- (c) The strengthening of existing training and development activities to produce more and better O and M staff resources for the government and the states ; the maintenance of a high quality central O and M intelligence unit (library and research) ; the promotion and co-ordination of O and M development throughout the Government and in the states ; the development of services (project scheduling, records, reports and general administrative services) that will facilitate the co-ordination, reporting, analysis and evaluation of all work done.

34. These three broad categories, and a suggested subsidiary breakdown of them, are shown in the chart at appendix II, for reference in connection with the following comments. For comparison purposes the chart of the existing organization is shown in appendix I.

35. Organizational structure, while recognizing the appropriate division of labour by specialisation and purpose, must, to be practical, also recognise the availability and qualities of staff resources, relationships, and the importance of the promotional nature of the work to be done. While the three categories (or wings) might be subdivided further in the interest of specialisation and purpose, they provide for the

minimum of co-ordination necessary at the department head level, leaving the department head to deal only with major issues and free to promote administrative reform at the higher levels of government. Furthermore, the structure provides for at least three senior ranks which will be essential for frequent dealing with equal ranks in ministries and departments. Only at the highest ranks will management improvement get the necessary impetus for a vigorous and progressive programme. Co-ordination of only three wings on major issues that may affect all three should not be an onerous task. It could probably be done in brief weekly meetings. To facilitate this co-ordination the heads of the three wings should meet by themselves more frequently if necessary, and much co-ordination may be accomplished by the distribution of periodic activity reports issuing from each wing. One of these wing heads should eventually be nominated to take the place of the department head in his absence and he should therefore be kept in close touch with departmental affairs as a whole.

36. While a relatively brief consultation of this kind and only a nodding acquaintance with the classification structure are insufficient for recommending the specific classification for such positions, it is necessary to stress their very great significance if the department is to get the appropriate initiative and progressive leadership and management which it warrants. The levels should certainly equal those with which they must frequently deal in ministries or departments. As will be mentioned later, some special arrangement in classification and pay may have to be considered at various levels as a means of retaining well qualified staff in the activity long enough to pay for the investment in training and to get the best use from such scarce resources. The heads of the three wings should have, apart from the general qualifications and experience usually required at this level, some special knowledge and experience which would fit them to direct the particular activities to which they are assigned. For example, the head of the Administrative Reforms wing, and the key officers below him, should have exceptional qualifications and experience in public administration reform activities, dealing with a wide range of constitutional, legal and administrative problems in the public service generally and particularly with a good knowledge of similar problems, and their solutions in the experience of other countries. The head of the central O and M wing should have knowledge and experience in the specialized activities below him. The head of the O and M training wing should have some background knowledge and experience in O and M activities generally, but of training and development activities in particular, and he should be a first class administrator. Suitable officers should be available in the public service, though they may need to visit similar and well developed units elsewhere to get a fresh and informed outlook.

37. The structure below the Administrative Reforms wing has not been elaborated upon because the extent, scope and nature of the work to be done in this wing will not be clear until the Administrative Reforms Commission has completed its task and it has been decided what reforms will be implemented. Taking into account the fact that the present staff of the department is almost wholly engaged in the preparatory work of the Commission, and considering the broad scope of work, it is most likely that many subsequent and more detailed studies will be involved in the implementation process. It appears that there will be two years or more work for several study teams and so long as this work goes on absorbing the man-power in the department, there will be little development of the long term and continuing functions unless additional staff is brought into the department. It is suggested that this work be confined to one wing as soon as possible.

38. As the bulk of the work of this wing is of a [tentative nature, it should be recognized as such and done largely by officers on deputation, without interfering with the development and operation of the on-going functions of the department. In the end it will probably be found that there will be a nucleus of the staff required for continuing functions to be performed in connection with the follow-up of the reports of the Administrative Reforms Commission. At that time it can be best decided how

such functions should be organized in relation to other activities of the department. It may very well be that a small nucleus of officers could handle the work, delegating as projects the detailed studies to be done on request by the various and appropriate specialist divisions of the O and M wing. A further possibility is that some studies might be done by appropriate agencies outside the public service.

### *Central Organisation and Methods*

39. The central O and M wing is divided into four divisions, each with a degree of specialization. While all projects will not fall exclusively within each of these specializations, those that predominantly involve one particular speciality should be done in the appropriate division. If other specialities are also incidentally involved, there should be co-operation and clearance through the appropriate division on that part of the project.

40. The level of the division heads should approximate the level of the wing head, for example, deputy secretary or director, and their basic qualifications should be such as would permit them to move in about six years either to the position of wing head or to positions at comparable levels in ministries and departments where not only their general qualifications but also their specializations would perhaps fit them for the higher level post. For example, the head of the Financial Management division may progress to the Ministry of Finance and the head of the Operational Research to the Ministry of Planning. The heads of the other two divisions would find their specialities a source of strength in almost any ministry or department.

41. These division heads should obviously be chosen not only for the general qualifications that would apply to most positions at this level, but also for some special qualification through academic disciplines or intensive development and experience in the special field concerned. This would be required to give them the necessary appreciation of the more detailed specializations they direct and to gain the confidence of those who may use their services in ministries and departments. They should also have a special interest and enthusiasm for the contribution that can be made to management improvement by the promotion and advancement of this group of specialities as management tools in the government. They should have a good knowledge, and preferably some experience, in organization and procedures analysis generally so that they will have an appreciation of the significance of other specialities in relation to their own and thus be able to facilitate co-ordination and co-operation with other divisions. They themselves should be interested and active in developing themselves further in these specialities while on the job. These are key positions in the specialized areas concerned. These positions should be adequately filled so that there will be qualified incumbents to participate in the selection and development of the more detailed specialists below them. In the screening of potential incumbents from the public service, it is likely that one or two may be found. For example, it may be possible to find a suitable officer as head of the Organization and Machinery of Government division. It may also be possible to find, in the Ministry of Finance, a suitable head for the Financial Management division, though it must be borne in mind that management accounting as such is not often a predominant characteristic of government accounting. Some greater difficulty may be encountered in finding a suitable head for the Procedures and Methods division. In this event the solution may be found in selecting the most suitable potential head and developing him in either or both of two ways. First, he may be sent for six months to a year to one or two well developed units of this kind in other countries such as U.S.A., Canada or Australia. Secondly, it might be possible to obtain a well qualified specialist on contract for a year or two to act as an adviser and trainer in developing the division.

42. Of these four positions, the one which will present most difficulty is that of the operational research activity. This is because of the relative newness of this speciality and the scarcity in all countries of the special skills required. This may delay the setting up of this division on a full-fledged basis, but it would be highly desirable to have some resources available or in the process of fast development. If it is possible

to find and develop officers approximating the status required and who have high mathematical qualifications and a desire to develop in this field, a year's posting to an active and well developed operational research unit elsewhere, where operational research techniques are successfully being applied to administrative problems (rather than technical or scientific problems), would help considerably in getting the necessary training to get the division started. Alternatively, it may be possible to select the best potential and to get a fully qualified and experienced officer from abroad for a year or more to assist in getting the division started.

43. At the levels below division head, a brief indication is given on the chart of a minimum of specialist officers who should be available to lead project teams or conduct assignments where various specialities are predominantly concerned. These officers should approximate the level of division head, for example, under secretary or an intermediate level between under secretary and deputy secretary, and should be good potential for promotion to that level or to comparable levels in ministries/departments, particularly in positions where such specialities predominate. Apart from the academic qualifications and experience which would be a basic requirement at such a level, all these officers should have had special training and several years of sound and successful experience in organization, procedures and methods analysis generally as well as some years in an administrative capacity. In addition to this, they should have already demonstrated unusual capacity in the speciality concerned both through an intensive interest and through study and experience. They must be the most capable focal point in the government service for the most well informed advice on any detail of their specialities. There may also be difficulty in finding such specialists in the government. Some further details of the requirements are given in Appendix 3. However, as stated above, the first thing is to get capable division heads and/or staff assistants, who would be able to screen candidates, to select the best potential and to direct their development by on-the-job training and, as may be necessary, sending them to places where their development can be expedited.

44. Some of these specialities may in the future be broken down further so that each sub-speciality may receive additional concentration to greater depth and for the purpose of delegating the workload to sub-speciality categories. An example of this is Information Systems, which may warrant closer attention to either filing systems, records, forms or directives. This can be developed by experience of workload and requirement.

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#### *Administration and training*

45. The Administration and Training wing is divided into two divisions each of which could perform a more significant role than at present. For this reason they have been separated to allow a greater degree of specialization and attention. As mentioned above, the joining together of these two activities is partly to relieve the head of the department of some co-ordinating functions and partly because they are both service and co-ordinating functions for the department as a whole. They also have a potential promotional and co-ordinating role to be developed between the department and O and M units in ministries and departments. With these two divisions the wing head should be able to work towards a close integration of all O and M activity in the government.

46. The Administration division has three categories of work. First, the administrative service (housekeeping) functions for the department. These need no elaboration other than to point out that such services might be a display model of the excellence which the department is established to promote.

47. Secondly, the project co-ordination and scheduling section can be an important factor in promoting the orderly and effective planning, co-ordination, control, analysis, reporting and evaluation of all work done in the department. To accomplish this requires the orderly classification of work into distinctive projects undertaken in all divisions, the organisation and maintenance of project files so that all papers relating

to each project are always at hand, including summary records of projects for the extraction of key information for progress reports, reporting systems for showing distribution of man-days and costs over various projects and types of work, the record of implementation and the calculation of measurable savings etc. All this will be necessary for the head of the department and others who want a concise account and evaluation of the work done, month by month and project by project. Evaluation of work done will be an important factor in directing and justifying the activities, and it cannot be done without a systematic, dependable and orderly collection of the relevant and factual data upon which such evaluation must be made. Summary reports from O and M units in ministries and departments would complete the running record of all O and M work in the government. This, appropriately and simply reported, could be a valuable instrument for evaluation, control, co-ordination of current activities and for future planning and guidance of O and M activities in ministries/departments.

48. Thirdly, this division should be the focal point for the attachment and allocation of additional man-power resources. As shown on the chart there should be a group of what are called 2nd level O and M officers who have several years O and M experience and who have been given O and M training. They would be officers ready to undertake some on-the-job and course training in a particular specializations as represented by the divisions in the chart. Preferably the specialization should be one of their own choice, and presumably one in which they have the greatest interest to expedite this development by their own efforts. These officers should be assigned to work with the specialists on a particular project at the end of which they should be re-assigned always according to the order of priorities the planning of their career development, and, if possible, to their preferences. They are officers who in a few years could be promoted to the specialist level. It will be most important to develop new specialists on the job and by means of specialized training courses if the expense and inconvenience of re-starting such specialities is to be avoided in future. There should always be a great deal of attention to career development from junior to senior level to ensure a continuing supply of replacements and a continuity of operational development.

49. The first level officers should be ones with good basic academic background and some years of administrative experience but with practically no O and M experience. They should be scheduled to assist on projects under the specialists and also scheduled as soon as possible for intensive O and M training courses.

50. All these officers should be carefully selected for their suitability and interest in pursuing their careers by means of six to ten years or more of O and M work and training. At that time, whether or not they continue should be a matter of selection and preference. If there are still good prospects for further development they may move up or out to departmental O and M units. If not, they should be encouraged and, if necessary, directed to move to other posts elsewhere in the public service.

51. Some of these officers would be part of the establishment of the department while others may be assigned from ministries and departments for on-the-job training. The composition and size of the groups should be governed by the estimated continuing work load of the department.

52. While these officers are primarily for the work in the O and M wing, it may be that they could, on occasion, be assigned to do work in the research and training division of the administration and training wing where special projects may be devised to take up any slack in the project workload of specialists. Such work might consist of developing guides, publications and training aids some of which may be done by this division even though some guidance may be required from the specialists.

53. In special circumstances they might also assist the project teams in the administration reforms wing but the guiding principle should be that whatever work they do should contribute to their development specifically as O and M officers.

54. The administration division and its sub-sections are different from others in the department in that their functions are strictly administrative rather than being geared particularly to O and M work as such. While the head of the division and his branch heads should have a good appreciation of O and M work, preferably through some experience and training, they may not necessarily seek or find their promotions through this channel. They may, in fact, be branch head and section heads respectively. The lack of continuity is not as important in these functions as it is in work which demands substantial training and development in the O and M field. The levels would be governed more by normal circumstances in administrative work generally in the government.

55. The training and research division should have a significant role in the promotion and development of O and M activity. It has been noted that O and M training activities are continuing in the department while the Administrative Reforms Commission work overrides the regular O and M activities. It has also been noted that the Indian School of Public Administration, in co-operation with the department, gives comprehensive courses in the Techniques of Administration. The evaluation of these courses is yet to be done. The job of tailoring and organizing courses to meet effectively the demonstrated known and complete needs for the development of both generalist and specialist O and M officers is and will be a continuing function that is, as yet inadequately met. It can only be done effectively in conjunction with a strong and ongoing O and M activity which will be the source of more precise information on specific requirements from time to time. While the division would be primarily a focal point for the promotion and organization of training and research, it should take an active part, through the branch head, in the formulation of policy designed to ensure that the right officers are selected for training, that the training given is tailored closely to each officer's potential for development, that course training is given when it is required, and that it complements the on-the-job training given to the officers, and that there is reasonable likelihood that, given the required training, the officer would be employed on the specific types of work for which he has been trained. This employment should be for a period that would ensure the adequate return to the government for the expense of training. Through the research and information (administrative intelligence and library) there should be a maximum effort put forward to encourage officers at all levels to develop themselves through reading and writing in their respective fields, particularly in out of office hours. The division should draw on all possible outside agencies for both training assistance and research results that should be carefully selected, with the advice of specialist divisions, so that only the outstanding good quality resources are exploited. Contact should be maintained with those responsible for general administrative training and development to see that in such courses there is given an adequate appreciation of the department's work, and that wherever possible the department's specialized divisions are used to contribute to the substance of such courses. In this way, if the training assistance is good, the department, and O and M activity generally, will gain support and favour among all classes of the public service.

56. In research, close contact should be maintained with institutes and universities which conduct management research, particularly those locally available which might be called upon to conduct research projects for the department. Such resources should be well-known and appraised.

57. The division also has the function of promoting and co-ordinating the development of strong O and M units in ministries/departments and states. This function is closely allied to that of O and M training and the reporting and assessment of O and M activities generally, but it requires the full time attention of an officer at branch level. Based upon the facts, assessment of needs, review of structure, procedures and progress of these units, it will be necessary to develop for approval government-wide policy statements and guides for ensuring the establishment of O and M operations in a sound and progressive basis for future development.

58. The head of the Training and Research division should, like division heads in the central Organisation and Methods wing, have a background of academic qualifications and experience that should give him the potential promotion to head of the Wing. Apart from this he should have additional qualifications which make him particularly suitable for this role. Such special qualifications would be a particularly good knowledge and experience in O and M work generally, specialised knowledge of a wide range of training techniques and practices, and a vigorous and resourceful personality to arouse and maintain enthusiasm in the training programmes. He should be a trainer of trainers and be able to give training guidance and assistance to specialists who lecture and conduct seminars in their respective and specialized fields. While much of his work will be in the training field, he must also be capable of identifying the most useful research and information work, and he must be capable of planning, directing and co-ordinating the three vital branch activities under him. His work will involve close liaison with the specialized divisions of the central Organization and Methods wing from which he must draw the best of substantive and specialized resources.

59. The selection of the head of this key division may be possible from existing resources in the government. However, if it is necessary to supplement any existing potential, this might be done by visits to highly developed training centres in both government and the private sector from which many years of specialized experience and knowledge may be drawn upon. Having the general qualifications for this level, as well as the specialized knowledge of this work, it would be highly desirable, for the sake of continuity, if this officer found his line of promotion in succeeding the head of the wing, rather than moving to a comparable level in another ministry.

60. In the above description of the proposed activities it will be noted that no specific provision has been made for the all important subject of personnel management. However, there are personnel management implications in all the specialities mentioned and it is important that all officers be fully aware of them. There will be frequent occasions when work being done in the application of advanced techniques must be discussed with the appropriate officer in the central personnel agencies in the Ministry of Home Affairs. Organization, procedures and methods studies particularly will become involved with personnel procedures and practices and there must be frequent consultations with the central personnel agency just as there will be with the central financial agencies in the Ministry of Finance on matters of financial procedure and regulations and with the Auditor-General's officers on matters affecting audit and accounting requirements.

#### *Ministry and departmental units*

61. While on the subject of structure and scope of the central services some comments might be useful on O and M units in ministries. First of all there is the question of how these units should be set up. They may be integral parts of the central O and M service, posted to ministries and departments as "cells". Alternatively, they may be integral parts of the ministry/department but staffed by the Department of Administrative Reforms. Thirdly, they may be as at present, integral parts of the ministry/department and staffed accordingly.

62. If ministries and departments are to develop with as complete a sense of responsibility as possible for their own management, they should be encouraged and stimulated into accepting this responsibility as far as possible. As the O and M units are and should be primarily designed and structured as an advisory service to management and not an additional control from the centre, the ministries/departments should be free to decide on :

- (a) whether or not such an advisory service can be justified in the ministry or department,
- (b) where such a service should be located, and

(c) what its composition should be.

There should be as little interference in these matters as possible, but, in the interest of the government as a whole, and the development and proper use of special and scarce skills, there will naturally be a tendency to think in terms of control from the centre to ensure these and to establish uniformity of practice throughout the government. If this is done by mandate, and control passes to the centre, there will be a tendency for ministries and departments to abdicate their rightful responsibility for taking all steps necessary to improve management.

63. A compromise position should be taken first and tried out in practice. First the Department of Administrative Reforms should stimulate a policy directive setting out very clearly the criteria upon which O and M units should be established in ministries and departments. These criteria should specify clearly the purpose of O and M units and call upon ministries and departments to see that they are used for these purposes alone and not as merely a supplement to their regular establishment. There should be criteria for the composition and location of such services to ensure the full exploitation of the scarce manpower resources in this area. There should be a simple reporting system which will provide Department of Administrative Reforms with the kind of information it requires :

- (a) to see that the O and M units are being used effectively, and
- (b) to enable it to perform its co-ordinating role between different ministry/department units and the centre.

64. Finally, through staffing operations, Department of Administrative Reforms should attempt to get O and M officers carefully selected through standard procedures, earmarked for more continuous service as O and M officers, appropriately trained to do the job required of them and appropriately classified. It should see that such units are headed by capable and fulltime leaders at a level, for example, deputy secretary, which will enable them to operate effectively. In brief, it should attempt to establish a professional class of officers and, through the regular staffing channels, ensure that they are used accordingly. These are quite reasonable steps for the centre to take in promoting the appropriate development and use of resources. They do not impinge on management responsibility any more than the prohibition through staffing process of using scarce engineers in a clerical capacity. On the other hand, it may soon be demonstrated to ministries and departments that this would be a service to them as well as to the government as a whole.

## V

### Staffing problems

65. While the preceding organisation and staff constitute a reasonable objective in a country like India, and it must be emphasized again that high quality service is one of the main foundations upon which to expect advisory services to be based, there are very real problems in staffing the activity even to this extent. Some of these are discussed below with suggestions as to how solutions may be approached.

66. There is no doubt that it will be difficult to establish and maintain a staff of specialists as proposed. This is a major problem in all other countries. The rapid and highly specialized developments in management in recent years has created a new series of occupations, the incumbents of which have been in such high demand that salaries have risen rapidly. This problem of higher pay designed to attract the best specialists has had widespread impact on the public services which, because of full employment in such specialities, can no longer attract these specialists by the security of tenure and fringe benefits usually associated with the public service. Some public services have had to meet this problem by creating special classes of positions with pay that will attract the specialists. Others have resorted to giving supplements in pay as long as the officers are in positions where they have and can fully use the specialized knowledge and skills. A careful assessment of the classification and pay system and problems in India could not be reasonably interpreted as part of the terms of reference of this survey, nor was there time enough during the assignment to make it in any detail, but it is an important point which should be considered. From casual observations it appears that first class officers in this type of activity in the government might earn

twice or three times as much in private industry. This is a higher rate of difference than that found in most countries. There is no doubt that such officers are badly needed in the government. If they are developed, there may be a serious problem as to how they are to be retained in the public service.

67. Where the basis of a personnel system is the classification of job descriptions, and each position or group of positions has its own particular functional characteristics, it is not difficult to create an O and M class of positions, with a range of grades from junior to senior levels, and with each grade having its own range of annual pay increments to compensate for years of experience and satisfactory performance. Where such a standard classification system can be applied throughout the public service, it opens the way for the application of standard systems of recruitment, selection, training and experience requirements, career planning, and promotion methods. It also lends itself to adjusting the pay of each level and grade in the O and M class alone, to attract and retain the developing O and M officers in spite of competitive demands and pay in private industry.

68. The Indian Government personnel system does not lend itself to this degree of flexibility. There are, of course, the limited number of different cadres such as the Indian Administrative Service, the Central Secretariat Service, and the Indian Audit and Accounts Service etc., through which certain different professional groups are managed and controlled. To follow this system logically in developing a professional class of O and M officers, another cadre would have to be created. However, a complication arises in the fact that O and M officers, to have the appropriate background for the specialties they may develop, will necessarily be drawn from any of the existing cadres. In other words, there are certain professional characteristics of O and M positions which are similar to those in some of the cadres, and to have an O and M cadre as well as the existing ones would cause an overlapping, and be a source of conflict.

69. The immediate solution to this problem seems to be to adopt the existing system to O and M development requirements. This could be done by establishing an over-riding "cadre" authority and control specifically for those officers in the existing cadres who have been identified as either potential or practical O and M officers. This over-riding authority, in consultation with the central personnel and cadre authorities, could develop the necessary procedures and regulations. These would allow for :

- (a) The necessary departures from the existing cadre system,
- (b) The systematic identification of officers who have the necessary basic qualifications and experience for O and M work,
- (c) The programming of their further development for this work,
- (d) The necessary regulations and procedures for their retention in this work after the expense of special development,
- (e) The necessary regulations and procedures for appropriate promotion and deputation.

Such departures from the existing system can best be developed in detail after the acceptance of the general principle.

70. The Department of Administrative Reforms would be the logical focal point of authority and reference on matters concerning the establishment of posts, and personnel management in connection with administrative reforms. It should be able to select and identify potential O and M officers from the widest possible base, cutting across all cadres. In this selection it should not be restricted to only those O and M officers needed immediately, but should select and identify a second line of officers to be trained and developed to meet future requirements. It should be able to plan the training and development of these officers whether or not they are, at any one point of time, posted to an O and M job. All O and M training, either in India or abroad (including scholarships) should be handled by the Department of Administrative Reforms and should normally be confined to this corps of selected officers. Postings

to O and M jobs would normally be made only from this corps, and, for all officers identified as O and M potential, the normal cadre posting procedures should yield to allow their development and posting to O and M jobs. Normal tenure rules should not apply, so that these officers may continue for at least six years in O and M posts, providing they have met probationary requirements, as may be determined by Department of Administrative Reforms. Where one of these officers is due for promotion in his parent cadre, arrangements should be made to give him a comparable promotion in his O and M posting. Where an officer is considered fit for promotion to a vacant position but is junior for such promotion in his present cadre, he should be given local promotion without the benefit of seniority. Some flexibility may be needed in the terms of sanction for O and M posts to allow for the induction of a suitable officer or for the promotion of an incumbent. Once the general principles outlined above are accepted, all these arrangements, and the necessary regulations and procedures, could be worked out in detail by the Department of Administrative Reforms in consultation with the central personnel authority, the cadre authorities, and the ministries.

71. A well managed and well staffed management advisory service has fringe benefits of its own. The opportunity to work in a compact group of specialists continually facing challenging problems and continually keeping abreast with new developments, is a stimulating experience which, given the potential and concentrated application of the individual, can develop officers into specialists or exceedingly good generalist administrators in a relatively short time. This has been demonstrated by the experience of a many consulting services. Such services suitably led and managed can give the most highly concentrated on-the-job training and development. With such development, an officer is in a very good position to advance his own interests. Such a service, to be successful in the long run, must be organized and managed on a basis that will permit this rapid advancement. It is one way of attracting high potential and retaining the developed specialist so that the public service can be amply repaid for the investment in his development.

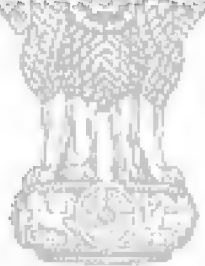
72. While India has had an O and M activity since 1954 and many officers have been given training and experience, it seems that the rotational systems has siphoned off some of these officers, preventing their further concentrated development and putting them in positions where such development is not put to full use. In the reorganization of this department and the building up of a capable and suitable staff, measures should be taken to see that this weakness is not continued. When an officer has good potential for development and is given several years of this concentrated on-the-job training, it should be a condition of his service that he can be retained in this work long enough for the government to get full value from the training and development. A minimum of six years might be necessary for this. Officers who do not want to submit to this condition should perhaps not be taken into this activity in the first place. On the other hand there will be those who, once they see the advantages of being in a well managed and progressive service with opportunity for quick development, will be willing to forego the rotational system. They should, of course, not suffer any financial loss by this choice. This is one partial alternative to the difficulty of meeting the market prices for developed officers.

73. Having provided safeguards of the retention of developing officers, it will be necessary to tackle the problem of initial staffing in the best way possible from existing resources. It is suggested, first of all, that the department make a concerted effort to see if officers previously well trained in O and M and now in other occupations can be attracted back again to the reconstituted service. Such potential staff should be carefully examined to see in what particular capacity they may be suitable for the fastest and further development towards specialization. Selected officers should then be recruited and given the opportunity of taking concentrated on-the-job and course training in their specialities where there are the most highly developed services of this kind. Such training may take six to twelve months and if the government is assured of the officers service in this capacity for six years, it would be a worthwhile investment. Such training would probably be facilitated by the United Nations, Colombo

Plan and the assistance plans of various other countries. It may also be done with the co-operation of such bodies as the All-India Institute of Management and the National Productivity Council. Obtaining the best of such assistance will be contingent on having a sound plan to ensure that such development will be very well worthwhile.

74. In some of the specialized areas where it will take a long time to develop suitable officers, consideration might be given, as mentioned above, to the secondment of suitable officers from other countries for at least a year to lay the foundations in the speciality concerned and at the same time to develop counterparts who can be left to continue the development.

75. Another immediate alternative to staffing in specialities is to use private management consultants to do certain highly specialised work as and when it becomes obviously necessary, and to assign counterparts from the department to the team to get on-the-job training. While this might serve the purpose in particular instances which would have to be examined on an ad-hoc basis, it would not solve the main problem of having a nucleus of specialists who are often necessary to identify areas and to see that the contracts, conditions and performance of outside management consultants are properly tailored and monitored in the interests of the government. It is suggested that establishing the nucleus of specialists shown in the chart is of first and major significance. If at a later date the work load in any one speciality becomes so great or so urgent, consideration may then be given to drawing in outside consultants as may be necessary. However, there should be a government specialist who can advise on the merits of outside consultants versus the further development of specialized staff, and who has sufficient knowledge and experience in the specialities concerned that he can, on behalf of the government, at least monitor the drawing up of contracts, the periodic progress and the end results.



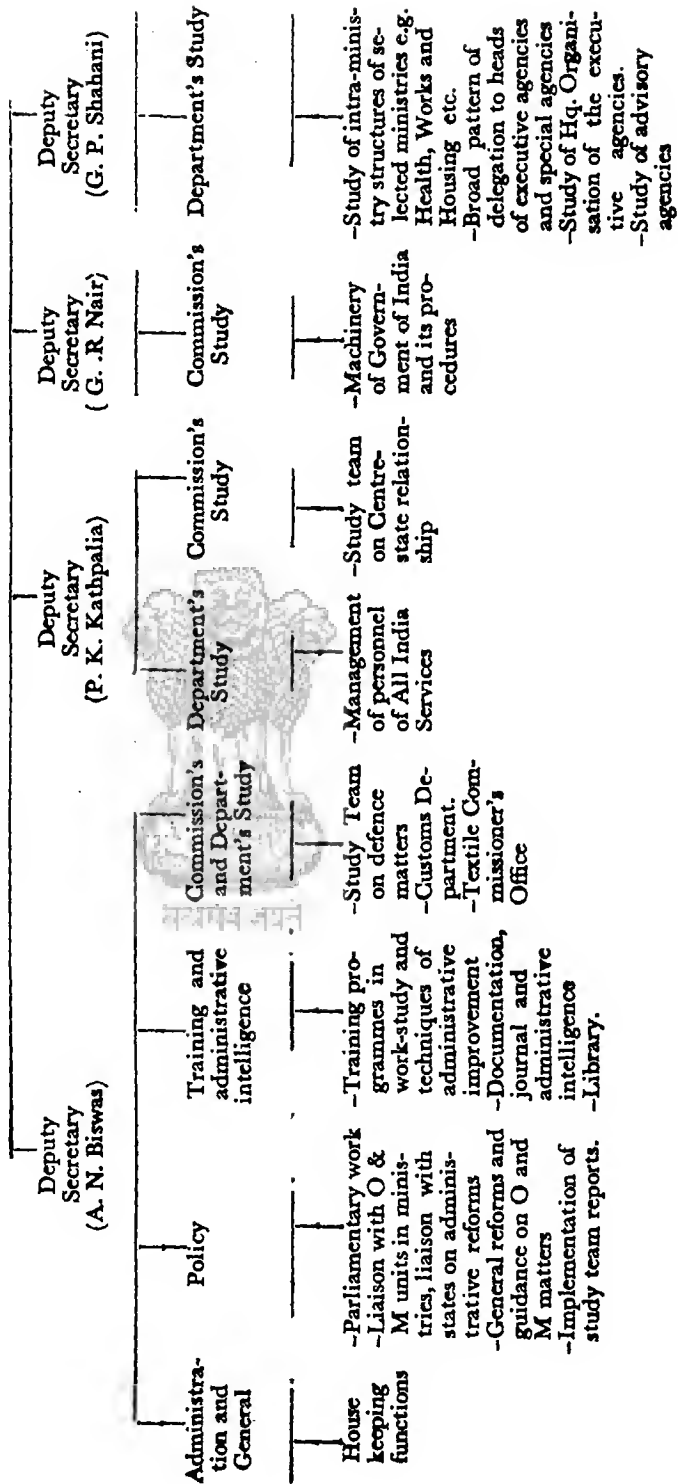
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APPENDIX I to C-2 Special Annexure  
(Para 34)

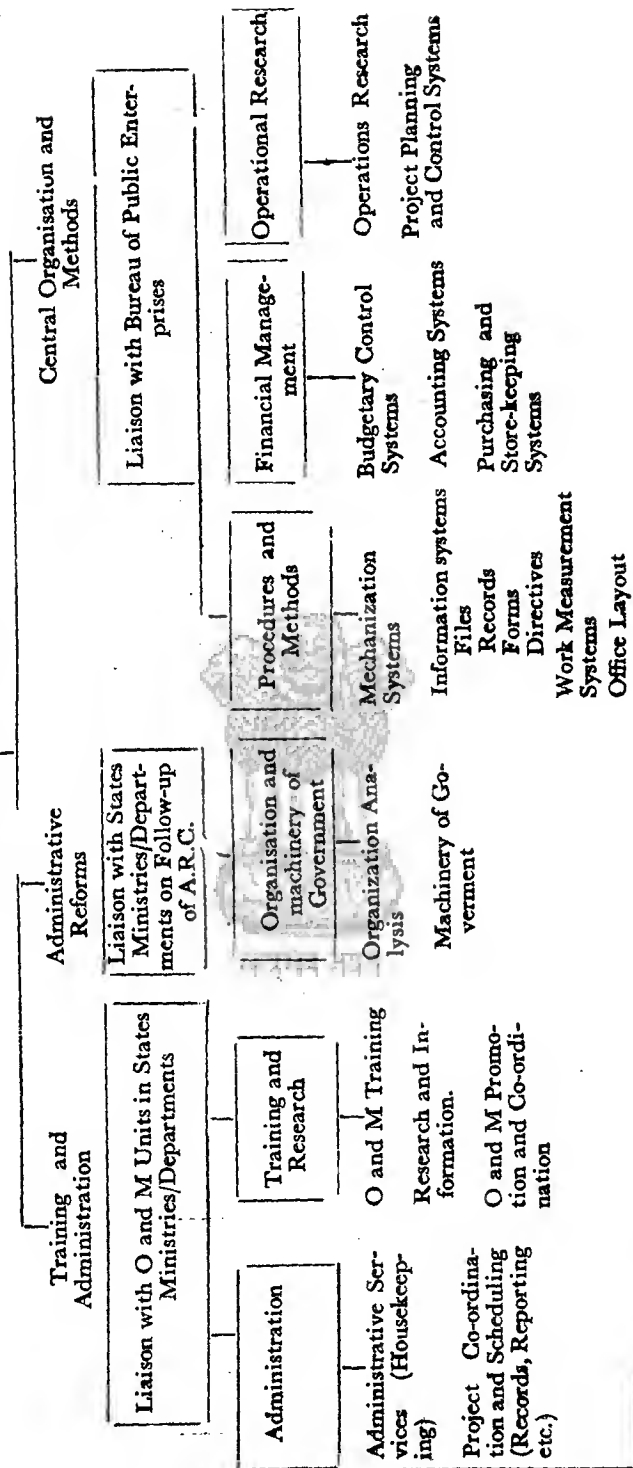
EXISTING ORGANISATION  
DEPARTMENT OF ADMINISTRATIVE REFORMS

JOINT SECRETARY

(N. K. Mukarji)



PROPOSED ORGANISATION  
DEPARTMENT OF ADMINISTRATIVE REFORMS  
DEPARTMENT HEAD



2nd Level Trainees  
1st Level Trainees

These officers allocated to work under direction on particular project

APPENDIX 3 TO C-2 SPECIAL ANNEXURE  
(Para 43)  
FURTHER DETAILS ON SPECIALIZED BRANCHES

*The following details are supplied on request for further guidance in the selection and development of specialist staff*

1. All branch specialists should have the background academic and experience qualifications normally required at this level. All should have good knowledge and experience in organization and methods work to give them a keen appreciation of other specialities and their relationship to their own. All should have the personal qualifications mentioned in the body of the report. All should have the ability to conduct surveys, give training in their speciality both on-the-job and through lectures seminars and written communications.
2. *The Organisation Analysis specialist* should have made a special study of organization theory and the history of its development from the so-called "Classical" school of thought to and including the more modern developments in the application of sociological and psychological disciplines. He should also have experience in the practical application of theory, either through intensive case study work or on-the-job training.
3. Such specialized qualifications can best be developed by intensive study followed by on-the-job training in a well developed consulting service dealing exclusively with organizational problems. Two examples are the Tavistock Institute, London, England, and the Organisation Division of the Management Advisory Services, Government of Canada, Ottawa. There may be like facilities in India not known to the writer. Such an attachment may involve six to twelve months. Alternatively, if there is a specialist at division level, the specialization may be achieved through directed on-the-job training.
4. *The machinery of government specialist* should have made a special study of the constitutional, structural, legal and procedural features of several governments at national, state and local level to give him a ready background from which to draw knowledge and experience in particular aspects of the Machinery of Government. He should, of course, have knowledge of and experience in the Government of India, working at such levels where constitutional, structural, legal and procedural matters are being dealt with.
5. Such knowledge and experience is possibly available in the public service and there probably will not be much of a problem in selecting and developing an officer for this post.
6. *The mechanization system specialist* should have experience in and knowledge of a wide range of office equipment from the simplest devices such as ready reckoners to replace laborious, inaccurate and slow arithmetic work and peg-board accounting devices to ensure simple, orderly and accurate manual accounting operations. It should include such items as typewriters, adding and calculating machines, duplicating, photocopy and punched card equipment etc. At the most highly specialized end of the range would be automatic data processing equipment and digital computers as used for processing of administrative work. He should have a sound knowledge of the detailed phases of feasibility studies required to ensure the sound and economic application of such high cost equipment.
7. There are few if any training courses which cover this whole field. To develop a specialist requires frequent attendance at brief courses offered by manufacturers and sales agents. These companies will usually offer immediate and ad hoc instruction sessions on the equipment they sell, particularly for a person who will be in a position to recommend the use of their particular equipment. A potential specialist must develop

the art of keeping such sessions to the basic and essential information he wants and reducing the sales propaganda to the minimum. There are also a few useful, impartial and analytical publications which can be used as references by the specialist. There are also numerous sources for literature, films and demonstrations some of which are useful for gaining a knowledge of particular types of machinery and equipment. This officer must be developed on the job. The development is a time-consuming business, but it is better to have one officer to do it thoroughly and be a source of reference and able to advise others, than to have all officers, who will often need the knowledge, spending their time searching and never being able to know the whole field sufficiently well.

8 *The information systems specialist* combines a group of specialities each of which, in most fully developed consulting services, is a specialization in itself. These are known in U.S.A. and some other countries as "Paper-work Management". As a whole the group represents all forms of written communication from inception through all stages of processing to disposal. It involves the organization and procedures of central registries, the knowledge of various filing systems and their appropriate uses, a knowledge of a wide variety of recording systems from ordinary card index systems to more complex "visible" record systems approaching and overlapping to some extent punched card systems and automatic data processing. Such elaborate systems are usually called "information retrieval systems". It involves all aspects of the inception, creation, and design of forms and the organization and procedures necessary for the control of forms. It also involves the special study of the creation, use and up-dating of directives and the compilation of administrative manuals containing such directives. Each of these subjects could be spelled out at great length, but this is perhaps not necessary at this stage. Suffice it to say that generally all this work is aimed at examining the essentiality of such paper-work, its unmistakable clarity to the user, its simplicity in design, its ease of processing, its adaptability to possible systems of mechanization, its completeness in fulfilling its purpose adequately and its ultimate storage and/or disposal. All improvements along these lines contribute to the faster and easier communication of information so essential for the speed, accuracy and economy of work processes.

9. The officer who undertakes this speciality can acquire a good deal of knowledge on the various subjects by reading the vast amount of literature on each. However years of on-the-job training will be necessary to make a specialist. To expedite the process it would be useful if a specialist could be obtained at the division level to give on-the-job training. Some courses on each of the subjects with plenty of practical exercises would be useful. The availability of such courses in India is not known to the writer but there are most elaborate and highly specialized courses, usually about 6 to 12 weeks, given in each of the many paper-work subjects in the U.S.A. Government and there are such courses in other countries.

10. *The work measurement systems specialist* should be trained first of all in basic time and motion study. He should then proceed to special training in clerical work measurement systems and then to more sophisticated systems such as Methods Time Measurement (MTM) and Basic Time Measurement (BTM). He should study various forms of work sampling techniques. He should know the appropriate criteria for deciding on the systems to be used. From all these systems he should know how dependable work standards are arrived at and how they are maintained. Most of this information can be gained from the plentiful supply of literature on the various aspects of the subject but on-the-job training is most essential. Such facilities are likely to be available in major industrial and commercial concerns in India. There are certainly many such courses in other countries. It is possible that if a specialist was contracted for at the division level in procedures and methods, he would know enough about work measurement systems to give initial on-the-job training to get the activity started. A good knowledge of mathematics is necessary for this work.

11. *The office layout specialist* is necessary for the prime purpose of improving production by having appropriate working environment, expeditious work flow and the most economic and effective use of office space and facilities. This category of

specialization alone does not require such a breadth and depth of knowledge and experience as do other specialities. It is placed separately because it is difficult to find a natural combination with others. However, if it can be kept separate, it will allow for some concentrated development even if the position is filled at a lower level than the others. The knowledge of office layout can be gained from several good books put out in recent years and also several excellent manuals produced on the subject by other governments. The significance of the subject should not be under-estimated. Much saving can be accomplished by the better use of office space and production can often be expedited considerably by the arrangement of facilities. Above all, the morale of employees can be raised by having appropriate environmental conditions to work in. The appropriate placing of furniture and equipment can lead to the promotion of standards in equipment which will in turn promote more economical mass buying as well as flexibility in use. Attention given to the appropriate dividing of office space by partitions can lead to the development of standard sectoral partitions which can more easily and economically be removed and installed from one office to another and one ministry to another. While these matters run close and perhaps overlap with the concern of the Ministry of Works, liaison on such matters could be established, and not only equipment and facilities but the design of office buildings may be brought closer into line with the work requirements. Standards of accommodation and furnishing, if soundly based, can save endless wrangling and inequities as between one employee and another or one ministry and another.

12. The requirements for this position are not difficult to achieve. Some concentrated study of literature on the subject, a lively imagination and some skill in drafting plus the general qualifications mentioned above should be sufficient to get this speciality started.

13. *The budgeting control* specialist is required to promote systems of management control that are related to objectives rather than functions, and to provide the manager with an automatic check on the effectiveness of work performance in the day to day's progress towards the objective. Such systems are used in the private sector to find out in good time what are the factors in production which contribute most effectively towards the making of profit and to pin point the responsibility of those in charge of those particular factors. In government, where for the most part there is not the discipline of the profit and loss factors, it is all the more appropriate to make use of the management tools which have been developed in the private sector even though the subsequent profit and loss statement and the balance sheet will not be forthcoming. Such systems are now being introduced rapidly in a number of governments in what is called "programme and performance budgeting". While any principal changes in policy along this line will probably come from the Ministry of Finance, there is much that can be done in the course of O and M surveys to promote the elements of this development without crossing the lines of such policy and at the same time being of considerable help to the management levels in ministries and departments in showing how management budgeting control may be introduced by degree and to their advantage.

14. The officer to fill this post may be found in the government. He should have professional qualifications in accounting and it would be a decided asset if he had had some experience either in a public corporation or in the private sector in the installation and operation of budgetary systems of control.

15. *The accounting systems* specialist is required because O and M studies will invariably get involved at some stage or another in accounting operations as they relate to other activities. It is therefore essential that a professionally qualified accountant, who understands the fundamental theory and requirements of accounting practices, should be readily available to conduct such studies or to advise on accounting aspects of studies done in other divisions. He should be fully knowledgeable on government accounting generally, but should have some knowledge and experience in management accounting systems such as cost accounting.

16. Here again it is most likely that this post may be filled from within the public service but it would be an advantage to have had experience in a public corporation or the private sector where management accounting systems predominated.

17. *The purchasing and store-keeping specialist* is required because O and M surveys will inevitably involve these activities in whole or in part. They constitute a major activity throughout the government and though they are subjects which lend themselves to a high degree of specialization, the actual activities tend to be placed in the hands of officers without the experience or knowledge which contribute to their good management. With improved organization, procedures and methods, along with improved purchasing and storekeeping practices, spectacular savings can often be made. The position requires a specialized training in these subjects, usually taking several university level courses, or at least equivalent intensive reading in the different aspects of the subject. It also requires several years practical experience in these activities or accounting experience very closely associated with such activities.

18. The officer for this specialization may be found in the public service but it is very likely that he will be lacking either in some of the general qualifications mentioned in the first paragraph of this appendix, or in the special knowledge and experience of the subjects. In such a case, some special steps should be taken to fill the gap by seconding him for six months or more to an appropriate activity where he will get some rounding out of his qualifications.

19. *The operations research specialist* should have specialized academic knowledge in mathematics or closely related fields. He should have experience in applying various mathematical and operational research techniques to administrative problems as distinct from scientific problems.

20. As mentioned earlier such experience will be difficult to obtain because of the newness of the activity in administrative situations and the extreme scarcity of qualified people. The solution to this problem will probably best be found as suggested above, in getting a qualified officer on contract in a staff position to get this activity started. At that point an officer with good potential and the necessary background may be selected for on-the-job development and training.

21. *The project planning and control systems specialist* will be required because O and M studies will often involve assistance and advice in the planning and control of projects in ministries and departments. Knowledge and experience will be required in the use of various planning and control techniques ranging from simple bar charts to the complex techniques such as critical path planning and programme evaluation and review techniques (PERT). A background knowledge of mathematics or closely related subjects will be necessary.

22. A suitable officer may be found in the public service for this position but it would be advisable to leave the selection until the head of the division is appointed and perhaps a fully qualified staff assistant is obtained. These officers would be in the best position to select the most suitable candidate for this position.

**SPECIAL ANNEXURE C-3**

(Para 5.13)

**Report of the working group on the Department of Regional Planning,  
Housing and Local Government**

Sections	Page
I - Introductory . . . . .	195
II - Functions of the Department of Regional Planning . . . . .	196
(1) Tasks relating to regional and urban planning . . . . .	197
(2) Tasks involving regional and urban development programmes . . . . .	198
(3) Administrative and management aspects of local bodies and regional agencies . . . . .	199
III - Organisation of the department . . . . .	199
(1) Regional and urban planning wing . . . . .	201
(2) Housing wing . . . . .	201
(3) Water supply, drainage and municipal services wing . . . . .	202
(4) Urban re-construction, renewal and new towns wing . . . . .	202
(5) Local self government wing . . . . .	202
(6) Administrative services division . . . . .	203
IV - Staffing . . . . .	203



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## Introductory

The earlier report of the study team on the Machinery of the Government of India identified regional planning as one of the nine nodal functions of Government. It recommended the organisation of a Department of Regional Planning, broadly outlined its functions and indicated its location.

2. At the instance of the study team, a working group consisting of Shri B. B. Vohra, Joint Secretary, Department of Agriculture, Shri Gian Prakash, Joint Secretary, Ministry of Health and Family Planning, Shri C. S. Chandrasekhara, Chief (Urban and Regional Development), Planning Commission, Shri J. K. Chowdhury, Architect and Planner and Shri G. R. Nair, Deputy Secretary, Department of Administrative Reforms was assigned the task of developing detailed proposals for the organisation, functions and staffing of the proposed Department of Regional Planning. This report presents the recommendations of the working group.

3. The earlier report of the study team outlined the functions of the proposed department as follows :

- To provide leadership and guidance to the states in the matter of regional planning, to serve as a clearing house of information and experience and to operate as a co-ordinating agency in respect of central ministries dealing with proposals for regional planning.
- To promote, where necessary, and particularly in big problem areas, the formation of regional boards with representatives of Central as well as state interests armed with effective powers to implement plans.
- To advise about the location of public sector projects, and particularly to assist in getting integrated development plans prepared in consultation with state governments for areas surrounding such projects.
- To prepare master plans for metropolitan cities, industrial areas and so on, including the siting and planning of new townships.
- Overall policy and programmes of town planning (slum clearance, sanitation, housing, water supply etc., through local bodies).
- Aid to state governments — financial and technical.
- Utilisation of land.
- Co-ordination in regard to local self government in urban and rural areas.
- To service a joint council of local self government and regional planning at national level.
- Policy on the powers and functions of local bodies, including personnel policy.

4. The study team did recognise that in the long run regional planning should be the subject matter of a full-fledged ministry headed by a Cabinet minister. But it did not think that a separate ministry was justified for the present. While considering possible groupings, the study team thought that regional planning could profitably be grouped with Health and Family Planning.

5. We have proceeded within the framework of the above recommendations to outline in detail the tasks of the department, its organisation and its staffing pattern.

## II

**Functions of the Department of Regional Planning**

6. We should at the outset point out that urban development, housing, water supply, local self government etc. are essentially state functions and the role of the Central Government is mainly that of co-ordinating, guiding, promoting and assisting both technically and financially and creating the necessary framework for proper discharge of their various functions by the state and local agencies. However, so far as regional planning is concerned, the Central Government has a more vital role to play. The operational success of regional planning depends in no small degree on setting it in the larger context of our social and economic planning. It is only the Central Government which can take this overall view either while giving advice on the formulation of regional plans or when in special situations it is drawing up the plans itself. Further it is a central organisation which can serve as a clearing house of information and provide effective liaison with the state governments, besides promoting and undertaking research.

7. The earlier report of the study team had recommended that the Department of Regional Planning should absorb within itself responsibility for town and country planning, urban development, housing and lands thus involving the transfer to this agency of related functions at present performed in the Ministry of Works, Housing and Urban Development and also those related functions now performed by the Department of Health and the Ministry of Food and Agriculture. Further there are certain functions which are intimately and integrally linked with urban and regional planning which are at present handled in the Ministry of Health and Family Planning and these also should be brought under the purview of the new department. For instance protected drinking water supply and drainage are being dealt with by the Central Public Health Engineering Organisation in the Ministry of Health. Other municipal services such as mechanisation of garbage removal, composting etc., are being dealt with by the local self government section of the Health Ministry. All these should be brought under the Department of Regional Planning. Another field which should be brought under the Department of Regional Planning is that of metropolitan transport presently dealt with by a special group set up by the Committee on Plan Projects of the Planning Commission. This is a recent field developed to meet the urgent problems of traffic and mass transportation in the metropolitan cities. Metropolitan traffic and transport planning have to necessarily form a part of the functions of the Department of Regional Planning in view of its intimate relationship with land use planning, both regional and urban. The transfer of these functions from the organisations where they are lodged at present to the Department of Regional Planning will give coherence to its functioning and ensure the framing of adequate perspectives both for tendering useful advice and also in the formulation of plans.

8. Furthermore, in the Department of Tourism, planning of tourist centres and tourist services is being undertaken in collaboration with the Town and Country Planning Organisation. This, however, has not been able to produce fully satisfactory results as planning for tourism requires that it be integrated with overall planning for the area and also involves the protection, preservation and enhancement of areas of natural amenities and scenic beauty. Therefore, the planning of tourist centres and its developmental aspects should also be brought under the Department of Regional Planning.

9. So far as Union territories are concerned, the working group has taken note of the fact that the Union territory administrations are setting up town planning departments to deal with urban development problems in their areas. These departments, however, are yet to be fully built up and strengthened. During this time, the Department of Regional Planning at the Centre would have to give technical assistance on a much larger scale than would be necessary in the case of state governments.

10. Among the tasks listed for the Department of Regional Planning in the earlier report is the preparation of master plans for metropolitan cities. We feel that such tasks are purely the responsibility of a local or a metropolitan body and it can at best be a state problem. The Centre's role here can only be that of giving consultative and

financial assistance to the state governments and local bodies for this purpose; it cannot, however, take upon itself this function without being involved in a large number of local problems. It is therefore imperative that actual plan preparation either for local areas or metropolitan cities should *not* come within its purview and that should be left to bodies to be set up by the state governments or local bodies and the function of the department must be mainly to promote the setting up of such bodies for the preparation of these plans.

11. Currently the plans for metropolitan cities like Calcutta, Bombay, Madras, Bangalore, etc. are being prepared by local agencies and the state government agencies set up for the purpose and the central organisation is only involved for the purpose of assisting and promoting this work. Only in the case of Delhi the central organisation is involved directly in the preparation of detailed area plans. We feel that even in the case of Delhi, the work on the master plan should be carried out by the agencies responsible for it locally *i.e.* Delhi Development Authority and the Delhi administration, and the role of the central organisation should be one of placing at the disposal of the former its expert advice. Thus either the functions of the Town and Country Planning Organisation which include in a major way the preparation of the zonal development plans for Delhi and also detailed proposals for traffic improvement, road widening etc., should be transferred by that organisation to Delhi Development Authority or the organisation itself should be divided into two parts as it was originally, namely, a Town Planning Organisation for Delhi which would be part of the Delhi Administration and the Central Regional and Urban Planning Organisation which will be merged with the new Department of Regional Planning.

12. In the context of the broad analysis of the different functions of the department, their inter-relationships, and the constitutional limitations that surround those functions, its tasks can be grouped under three functional heads, namely (1) tasks relating to regional and urban planning (2) tasks in the field of development of regions and urban areas *i.e.* implementation of plans and lastly (3) tasks dealing with administrative and management aspects of regional and urban development. These tasks are discussed in some detail in the following paragraphs.

#### (1) *Tasks relating to regional and urban planning*

13. This group of tasks relates essentially to the preparation of city and regional plans by different agencies at different levels. It will include the conducting of surveys, carrying out of studies and drawing up of a plan, taking note of the needs, trends of growth and future prospects of development of each area. It does not necessarily involve any investment as such. In relation to these tasks the role of the central organisation will be mainly advisory except in regard to inter-state resource regions, where more than one state will be involved and, therefore, the plan would have to be prepared by an inter-state agency which may well be the responsibility of the central department. However, tendering of advice and assistance to the planning agencies at the Centre, state and local levels involves initially the carrying out of broad studies for the purpose of evolving on a long term basis the patterns of development in regard to urbanisation, industrial location, regional transportation etc. Thus the tasks in this group fall into four categories; namely

- (i) carrying out studies and investigations for evolving on a long-term basis an overall pattern of urbanisation region-wise for the whole country, a broad pattern of industrial distribution and location, regional transportation pattern etc. These may be called in other words, the building up of regional plan perspectives in physical terms against a background of economic development policies promulgated at the national and regional levels ;
- (ii) tendering of advice and assistance to central, regional, state and local agencies in all matters regarding regional and urban development, providing consultative guidance wherever necessary, and undertaking limited studies in specialised fields for solving of some of the problems referred to it ;

- (iii) evolving programmes in the field of urban and regional planning and arranging for their implementation through agencies at different levels and providing the necessary financial and technical assistance; and
- (iv) undertaking inter-state resources regional plans for those regions which fall in more than one state with the help of joint planning boards composed of representatives of the concerned states and central agencies.

14. These functions are presently exercised by the Town and Country Planning Organisation in a limited way and need to be expanded both in scope and in depth.

*(2) Tasks involving regional and urban development programmes*

15. This group of tasks relates primarily to development programmes which involve investment in housing, water supply and drainage, urban reconstruction, traffic and transportation, slum clearance, establishment of new towns etc. They involve large outlays and can be categorised into three groups namely : (a) housing in its broadest sense including community facilities and amenities, (b) municipal services such as water supply, drainage, removal of garbage etc., and (c) urban reconstruction, renewal, new towns etc. In all the three categories, the work is in the first instance that of developing broad policies and programmes on a long-term as well as short-term basis and creating the necessary framework for implementation by the Central, state and local agencies. To perform these tasks effectively it would be vital to build into the wings proposed for handling them facilities for research and evaluation.

16. Housing has occupied during the last three decades the foremost attention of most countries as it relates to the primary need of a family, the home around which every aspect of the family life, the social life and the community life are built. The house or home therefore becomes the core of community development programme whether urban or rural. There is need for a new approach and orientation in regard to the housing programmes from the present welfare approach covering only a section of the population to that of an overall national house building with investment in housing being considered at par with investment in other sectors, the social housing being only a part of it. It needs hardly any emphasis that the limited scale on which the programme of social housing is carried out needs considerable elaboration. This implies an expansion in the functions of the housing unit and adequate strengthening of it. By giving it a significant place in the Department of Regional Planning as a separate wing and also emphasising its importance by including housing in the title of the department, the function of housing would get the necessary impetus and appropriate importance.

17. Next to housing the basic necessities for living, specially in urban areas, are : water supply and drainage. Already national programmes in regard to urban water supply and drainage and rural water supply have been under way and have developed a certain momentum which requires to be fully exploited and further developed to achieve the goal of providing every urban dweller and every rural dweller safe drinking water supply, and a minimum level of environmental satisfaction from the point of view of both health and aesthetics. Presently this work is being done by the Public Health Engineering wing of the Health Ministry and its place as a part of the overall Regional Planning and Housing Department would enable it to yield better results as these programmes would be actively co-ordinated with housing, urban reconstruction and regional development programmes. That is why we are persuaded to suggest that this be brought under the Department of Regional Planning.

18. The third aspect of programme in the field of regional and urban development is a comparatively new field, namely, urban reconstruction and renewal, new towns, metropolitan traffic and transport etc. This work is essentially to be undertaken by a local body or at best a state agency. However, for various reasons including lack of finance, managerial inadequacies, and absence of a cohesive national or regional programme, no systematic urban reconstruction has taken place in the country beyond what improvement trusts have done, here and there. The efforts of these organisations

are more in the nature of patch work than the reflection of a wide spread movement of urban reconstruction. It is likely that the urban population will double itself in the next two decades or so, and there is bound to be a massive exodus of people from rural areas to urban areas. Programmes of urban reconstruction and expansion derive their urgency from this. It will, therefore, be necessary to establish a separate wing dealing with urban reconstruction to take care of all aspects of urban development, expansion, renewal, development of new towns, land policy etc. Into this overall programme of urban reconstruction will be woven the programmes of housing as well as those of water supply, municipal services, etc.

(3) *Administrative and management aspects of local bodies and regional agencies*

19. The successful implementation of plans depends on the vitality with which the local bodies function. It is therefore impossible not to underscore the need to strengthen the managerial and technical ability of the local bodies, improve their training programmes and organise methods of evaluation and research. This group of tasks should therefore assume institutional expression as a separate wing in the structure proposed by us. It will also include the management aspect of public utilities other than municipal services, such as, municipal commercial enterprises, gas, local transport, etc. The Department of Regional Planning in these tasks can have only an advisory role as these are purely state functions as it will be the states which should guide and supervise the work of the local bodies. However, under Article 263 of the Constitution, in order to provide a means of coordination of policy and action and also achieve uniformity in tackling the problems of local bodies, a central council of local self government has been already established and is now functioning. Similarly, a Panchayati Raj Council is also in existence. It is through these agencies that the Central Government can initiate programmes for the strengthening and augmenting the resources of the local bodies. Basically this group of tasks aims at making the local bodies self-reliant and able to cope up with their responsibilities with their own resources. Presently, a small local self-government wing is functioning in the Ministry of Health to deal with this problem but it would need to be substantially expanded to cope up with a much expanded programme when its functions are transferred to the Department of Regional Planning.



III

**Organisation of the department**

20. The analysis of the functions of the department discussed in the previous paragraphs indicates broadly the organisational pattern, which would satisfy the operational requirements and, at the same time, ensures that there is horizontal as well as vertical collaboration in the planning, development programmes and management aspects of urban and regional development. The emphasis given to the different groups of tasks as well as the magnitude of their operations define the placement of the different functions at levels where they could be dealt with adequately.

21. The first consideration regarding the organisation is its title. The earlier report of the study team had indicated the title as "Department of Regional Planning". In our analysis of its functions we have urged that in addition to regional planning, housing should receive adequate emphasis. Through its immediate impact on society, housing is more readily understood by laymen than regional planning and we think it would be advantageous to the department if its title incorporates a term readily understood and appreciated by the ordinary citizen. We are not for a moment minimising the overall significance of regional planning—of which housing is after all a part—but we believe that a socially satisfying housing policy can itself become a selling point for the idea of regional planning. We have already emphasised the central role of the local bodies in the field of implementation of plans. We therefore suggest that the department be named as "the Department of Regional Planning, Housing and Local Government."

22. To meet the operational needs of the department, we propose an organisation divided into five operational wings and one administrative and services division taking care of the needs of all the five operational wings. The group of tasks under regional planning will be dealt with by one wing while the development programmes are proposed to be dealt with by three wings, namely, housing wing, water supply, drainage and other municipal services wing and urban re-construction, renewal and new towns wing. The management aspect is proposed to be dealt with in the fifth wing. The chart at page 205 indicates the organisational set up of the department.

23. The department will be headed by a secretary under whom will be placed the five chiefs heading the five operational wings. The deputy secretary (administration) in charge of the administrative services division will function directly under the secretary having horizontal relationships with the chiefs of the five wings. The chiefs of the five wings will have direct access to the secretary and will serve as his advisers and executive deputies in regard to the tasks entrusted to their wings.

24. A policy advisory committee will be set up by the secretary composed of the five chiefs, the financial adviser to the ministry and such other officers the secretary may like to have in the committee. The secretariat assistance to this committee and follow up of administrative decisions will be the responsibility of the administrative and services division. All major policy issues emanating from any wing will be considered by the policy advisory committee, presided over by the secretary.

25. The chief of each wing will have under him different units dealing with the tasks outlined earlier under the functions of the department. The units working under the chief of the wing will also collaborate with one another within the same wing as well as with the units in other wings so that there is continual collaboration and percolation of ideas and experience. It should be possible for experts in a unit under one wing to change places with similar experts in other units of other wings and to work on different assignments. A systematic adoption of such changes in assignments will build up an awareness and appreciation of the work being done in various wings and by various officers.

26. Urban and regional planning is essentially a multi-disciplined field and its work has to be done by personnel drawn from diverse specialisations like geography, economics, law, architecture, engineering etc. with a regional planner as the coordinator for each group. It has been the experience that expert personnel from associated disciplines like economics, law etc. do not like to leave their sphere of work and take up planning as a whole-time job. Firstly, the scope of their advancement in the planning field is limited in as much as they will always have to work in a multi-discipline team and mainly on projects and secondly, the depth of their work in their own specialised field may suffer to some extent. Therefore, planning organisations all over the world make use of middle level people in the associated fields as whole-time people in the planning departments and they draw upon top level expertise through consultants whenever required. The middle level experts from the associated fields do the necessary spade work of organising the material, analysing it and getting the data ready for interpretation, and at that stage the availability of consultants will help the team as a whole to come to definite conclusions regarding policies as well as planning decisions. It is, therefore, necessary that the regional planning department has a panel of consultants available to them on an assignment basis and to whom can be referred specific problems as and when they come up for advice and guidance. It is also possible to associate such consultants with regular project work such as in the case of inter-state regional plans and make use of their knowledge and experience. The chart does not show the panel of consultants lest it should be mistaken as a panel of permanent consultants. The intention is that experts constituting the panel would vary from time to time depending upon their availability, expertise, interest in the work etc.

*Regional and urban planning wing*

27. The main tasks of the regional planning wing have been outlined earlier. In accordance with these tasks the work of the wing can be divided into three groups. The first of these, the technical advisory and consultancy service to Central, state and local agencies has been assigned to three zonal advisers, each working in a zone. The country may be divided into three zones, southern zone composed of states of Kerala, Madras, Mysore, Andhra Pradesh, Orissa and Maharashtra, the western zone composed of Gujarat, Rajasthan, Madhya Pradesh, Jammu & Kashmir, Punjab, Haryana and Himachal Pradesh, and eastern zone comprising U.P., Bihar, West Bengal, Assam, Nagaland and Union territories. The zonal advisers would, however, be located in the capital as they have to work closely with the group dealing with urban and regional planning perspectives. But in view of the large area that has to be covered, we think it necessary that consultancy work is organised on a zonal basis making it possible for the zonal advisers to get acquainted with the problems and potentialities of the areas they are dealing with.

28. The work on urban and regional planning perspectives which will also include the study of industrial locations, regional transportation system, recreation, nature preservation, research etc. is proposed to be entrusted to one unit having on it planners, economists, geographers, sociologists, engineers, etc. This unit will deal with the evolution of a broad pattern of urbanisation as well as regional development in consultation with the zonal advisers. Thus, there will be a feed back from the zonal advisers into the perspective unit and the zonal advisers themselves will take back the evolved patterns for use as frames of reference in advising the state governments on urban and regional development problems.

29. The preparation of inter-state resource regional plans has to be dealt with by separate units for each inter-state resource region working under the guidance of joint planning boards. The inter-state resource region units should work closely with zonal advisers as well as with the urban and regional perspective unit so that they are aware of the general trends of development forecast by the perspective unit and are also able to appreciate the problems which the zonal advisers may be handling. With this as the background, the units have to evolve detailed regional plans for the inter-state regions with which they are concerned. Currently there are two teams working and their number may be increased as and when new projects are taken up.

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*Housing wing*

30. The main work to be dealt with under the housing wing will be housing policy and programmes, housing finance, materials of construction and design and lastly organisational matters. Currently housing policy and programmes have embraced only social housing undertaken by central and state agencies. These will need to be enlarged in scope to cover not only social housing programmes but also those of housing for various income groups for public and private sectors.

Investment in housing is often considered as non-productive because it is understood more as an adjunct of welfare than a strategy of economic development. It is interesting to note that such investment creates employment, and generates demand for various types of material whose manufacture gets stimulated. It also develops a number of financing institutions for housing like co-operative banks, mortgage societies etc. The housing finance unit will have to frame programmes which can exploit fully the value of housing investment in the productive sector.

Materials of construction and design have already been dealt with by a number of institutions in this country and a great deal of experimentation has been going on. The unit to handle this work in the housing wing will make available to housing agencies specialised knowledge and techniques for effective improvements both in materials and in designs.

This working group has taken note of the fact that many states have already set up state housing boards and the setting up of a central housing board is being contemplated. The unit in the housing wing will have to work with the state housing boards. We would suggest that the housing wing with the expanded scope of activity as envisaged now should function as a central housing board and a separate board may not be necessary.

*Water supply, drainage and municipal services wing*

31. In the organisation of this wing, experience from the operation of the present Central Public Health Engineering Organisation would have to be drawn upon. Since the Central Public Health Engineering Organisation is dealing practically with all the aspects proposed to be dealt with under this wing, barring certain modifications in the C.P.H.E.O. for ensuring co-ordination between this wing and other wings in the department, the existing set up may continue.

*Urban reconstruction, renewal and new towns wing*

32. The work of this wing will mainly depend upon the new functions which have grown out of several programmes that have been instituted in the third and fourth five year plans. This wing will have to take into account the urban and regional development prospects forecast by the planning wing and appropriately develop programmes in advance of needs whether for industrial development, for residential expansion, for services, for transport, etc. and thus play a very important role of anticipating future problems and meeting those problems with specific programmes in advance.

33. This wing will also deal with land policy not only from the view of a rational control and development of land for its most efficient utilisation but also from the point of view of minimising land speculation, raising of resources, etc. An important function of this wing will be that of establishing new towns either as counter-magnets to metropolitan cities or new growth centres in developing areas helping to absorb industrial as well as other activities and of giving a direction to future urbanisation according to the framework evolved by the regional planning wing.

*Local self government wing*

34. As already stated in para 7, related tasks regarding urban and rural local bodies to be performed in the wing will come over from the Ministries of Health and Family Planning, and Food, Agriculture, Community Development and Co-operation respectively. In regard to the latter item of work, we would like to urge that the Department of Regional Planning will confine itself to the functioning of rural local bodies (panchayati raj institutions) and not take up agricultural extension work currently handled by them. In this background it is proposed that the local self government wing be organised into four units dealing respectively with urban local bodies, rural local bodies, training, evaluation and research and lastly management of public utilities other than those dealt with by the municipal services wing. For dealing with urban local bodies and rural bodies already the central council for local self government and panchayati raj conference exist through which the advice and assistance as well as co-ordination of various policies regarding local bodies can be transmitted. A training, evaluation and research wing has already been started and would require now to be expanded properly to take care of the needs of the urban and rural local bodies fully. The management of public utilities other than municipal services is an activity which has recently been started with local bodies undertaking commercial ventures such as running of cinemas, markets, recreation parks, installation of parking meters, and a host of other similar activities. All these activities as well as running of certain essential services like local transport etc. require not only guidance but competent personnel in the local body itself.

*Administrative services division*

35. The Administrative services division will be organised into three units, the first one dealing with publicity and public relations, second with general administration and the third with documentation and library. The publicity and public relations unit will have public relation officers working with each wing intimately and building up the necessary programmes. For the purpose of administrative convenience they are all placed under the administrative division. Perhaps one of the most important aspects of the regional planning would be to sell the idea of planning successfully and to mobilise public support as well as participation in it. Thus public relations will be an important task of the department. The publicity and public relations unit would have to be very competent and it should be able to put across to the public effectively the various ideas that are evolved by the operational wings.

36. General administration unit will undertake the normal administrative work such as personnel, budget, accounting, supplies and materials, and services to the staff. They will also provide the necessary secretarial services to the policy advisory committee and follow up action on policy decisions of an administrative character.

37. Documentation and library unit will mainly look after the needs of the various wings in regard to documentation and library facilities and will also assist them in getting out reports, plans and other material. It may also assist the wings in doing bibliographical work as well as documentary research on the various topics which the wings deal with.



#### IV Staffing

38. We have very carefully considered the problem relating to staffing of this department. We recognise the general paucity of qualified town planners in the country, though of course attempts are being made to develop such categories of personnel. We should like to state here that considering the complexity of the problems this department will be called on to resolve, it should have really first rate men to work it, while the personnel who are already functioning in cognate fields should find a place in this department, it should keep its doors open to fresh talent.

39. While we have outlined the fields of specialised disciplines from which the personnel to man the different units in the department should be drawn, we have refrained from working out the actual numbers in which they would be required. It will be appreciated that regional planning is a field where the frontiers can change with every new impact and every fresh perspective. To have fashioned anything more than what we have attempted would have made the department a strait jacket without the capacity to adapt its staffing patterns to changing perspectives. We would therefore suggest that compact units should be established initially and thereafter as experience is gained these units should be expanded with appropriate personnel.

40. In all these cases the importance of getting the right man for the right job cannot be over emphasized. In fact, in view of the diverse kinds of functions which the Department of Regional Planning will be performing, a system of recruitment through job specification should be central to its personnel policy. If suitable persons cannot be found it would be better to keep some of the posts vacant than pitchfork into them men without ideas and initiative.

41. We should like to broadly indicate here what we think are some of the desirable qualifications of the personnel operating the department.

*Secretary.*—While it is true that the secretary of the department will have to function in a climate of specialised disciplines, his role would essentially be one of co-ordination and implementation of the programmes evolved. This is essentially an administrative process. We do not therefore think that he should necessarily be an expert, though nothing should prevent an expert with a flair for administration from occupying that post.

*Chiefs.*—It would be desirable if the chiefs of the regional and urban planning wing, urban reconstruction wing and water supply, drainage and municipal services wing are urban and regional planners, public health engineers etc. We think it would confer a distinct advantage if the chief of the housing wing has a background in the economics of housing. The chief of the local government wing should be familiar with the operations of local government. The chiefs of the different wings should normally be of the status of joint secretaries to the Government of India. The zonal advisers should be senior planners, having had experience in policy as well as field work and may profitably be drawn from the state town planning departments.

NEW DELHI,

The 7th September, 1967.

Sd/- Gian Prakash

Sd/- B. B. Vohra

Sd/- C. S. Chandrasekhara

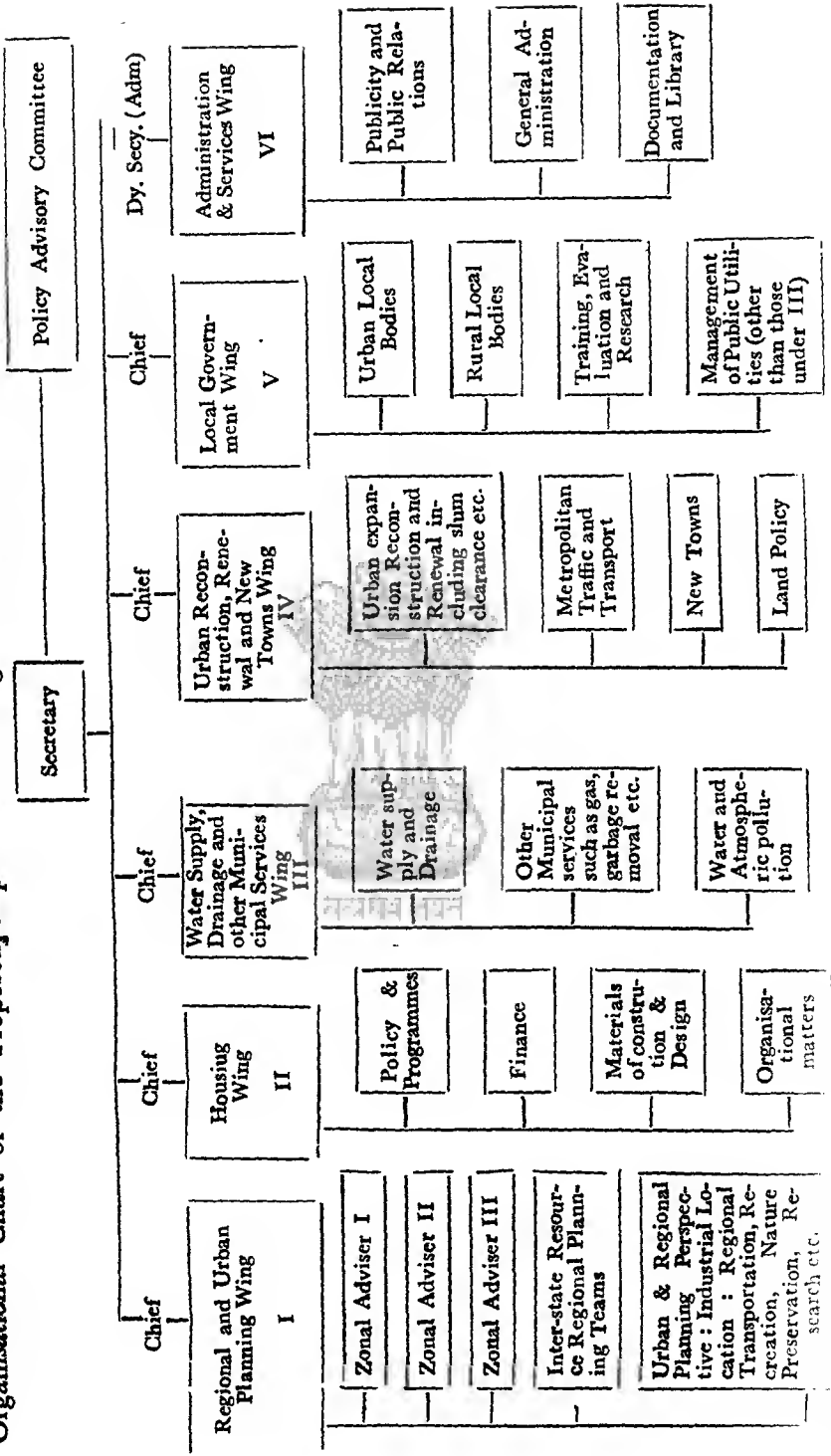
Sd/- J. K. Chowdhury

Sd/- G. R. Nair



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**APPENDIX TO SPECIAL ANNEXURE C-3**  
**Organisational Chart of the Proposed Department of Regional Planning, Housing and Local Government**





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